

**Promoting Latino-Owned Businesses and Entrepreneurship in
The Yakima Valley: A Strategic Approach**

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Agency Overview

Established in 1998, the University of Washington-Yakima Valley Community Partnership (UW-YVCP), based at Heritage University in Toppenish, WA is a unique program collaboration that builds on the rich history of the University of Washington's (UW) work in the region.¹ The program seeks to promote economic and community development in the Yakima Valley through:

- **Research** – the foundation of UW's work in the Yakima Valley is research and development. The organization is charged with the important role of advancing practical and community-based research opportunities for faculty and students that, in turn, are transformed into innovative projects that benefits the community, as a whole. Several examples of outstanding community-based research conducted by students and faculties include a study examining the impact of information technology, local business development and migrant farm workers. Through this research the organization is able to identify and address issues vital to the growth and development in the area.
- **Leadership** – the continued presence of UW-YVCP in the Yakima Valley and its many contributions to the economic well-being of the region have made the organization a catalyst of change to many local communities. Through its many community development projects, UW-YVCP aspires to promote leadership among local community members in order to sustain these projects, thereby empowering them in the

¹ Adopted from the "Case Studies in Community-University Partnership, 2005" UW-YVCP Focus Area, p.5

process. The organization's current initiative is the launching of the new Public Leadership & Civic Engagement Academy beginning in the fall of 2006. The program will provide education to aspiring leaders and community activists to further hone their skills for even larger and greater leadership responsibilities in their communities.

- **Partnership** – Central to the effective operations and functioning of the organization are the presence of effective institutions, community and business resources and other initiatives. Partnership is the hallmark of UW-YVCP's work in the valley. The organization aims to create stronger connection between local educational, community groups and businesses to promote opportunities for discovery, research and learning for faculty and students. Since its inception, UW-YVCP and Heritage University have been strong allies in the goal of identifying, developing, and implementing pioneering projects in the community. The scope of their collaborative works is extensive and all-inclusive that includes Economic and Tourism Development, Business Development, Information Technology and Computer Literacy Programs, Neighborhood Improvement Projects, Civic Engagement and Public Leadership, among others.
- **Education and Advocacy** – Through many years of successful programming, UW-YVCP continues to provide educational and learning opportunities to many students. The organization also serves as a tool and resource center for local communities, businesses, students and leaders in the region in their on-going efforts to respond to issues of underdevelopment. The UW-YVCP strives to cultivate a sense of community belonging, accountability and responsibility among its partner communities.

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List of Abbreviations

CBD	Central Business District
ED	Economic Development
HB	House Bill
LOBs	Latino-Owned Businesses
ME	Multiplier Effect
PSC	Public Service Clinic
SB	Senate Bill
SMOBE	Surveys of Minority-Owned Business Enterprises
SWOBE	Surveys of Women-Owned Business Enterprises
UW-YVCP	University of Washington-Yakima Valley Community Partnership Program
WOBs	Women-Owned Businesses

Abstract

What is the economic impact of Latino-owned businesses in the Yakima Valley? This most fundamental economic question is the focus of this study. The study reveals that Latino-owned businesses and entrepreneurs in the Yakima Valley currently have a positive impact on the economy generating \$134 million in business sales and receipts, and contributing at least \$14.5 million in annual payroll. These Latino businesses also account for numerous qualitative benefits that include: improving economic mobility, providing unique goods and services, improving neighborhood cohesion, acting as role models and leaders, and providing employment opportunities. These impacts affect not just the Latino community in the Yakima Valley but the economy as a whole. In addition, an increased economic impact can be expected in the future, given the growth rate of the Latino population in the Yakima Valley and the entire state, the growth rate of Latino buying power, the businesses' high rate of reinvestment, and the potential for increased export and import business opportunities.

Executive Summary

This economic impact study of Latino-owned businesses in the Yakima Valley is the result of a collaborative effort between many interested parties, primarily the University of Washington-Community Partnerships program (UW-YVCP) and the Public Service Clinic (PSC) at the Evans School of Public Affairs. Using survey research and interviews, this study identifies the economic impact of Latino-owned businesses in the Yakima Valley (both quantitative and qualitative), as well as the persistent problems experienced by Latino business owners.

The central questions of the study are “What are the economic impacts of LOBs in the Yakima Valley? How large has the impact been?” In addition, there are several other key questions that this study seeks to answer, such as;

- A. How do Latino businesses contribute to the economic diversity in the Yakima Valley?
- B. What areas of concern are faced by Latino businesses?
- C. What can be done to increase the economic impact of Latino businesses in the area?

Currently, Latino businesses in the Yakima Valley have a positive economic impact of at least \$14.5 million in annual payroll with \$134 million in business sales and receipts.² These businesses also account for numerous qualitative benefits that include: (a) improving economic mobility, (b) providing unique goods and services, (c) improving neighborhood

² Survey of Business Owners: Preliminary Estimates of Business Ownership By Gender, Hispanic or Latino Origin, and Race: 2002. <http://www.census.gov/>

cohesion, (d) acting as role models and leaders, and (e) providing employment opportunities. This impact affects not just the Latino community in the Yakima Valley but the economy as a whole. In addition, an increased economic impact can be expected in the future, given the (a) growth rate of the Latino population in the Yakima Valley and the entire state, (b) the growth rate of Latino buying power, (c) the businesses' high rate of reinvestment, and the (d) potential for increased export and import business opportunities.

Furthermore, there are several broad opportunities highlighted in this report for local organizations to consider in assisting Latino business owners and entrepreneurs.

Recommended actions for intervention to promote further growth and development of Latino businesses in the Yakima Valley are classified into three general categories that include: capital access, early outreach and business development, and social networks.

A. Capital Access. The research confirms the need for programs that would help business owners and entrepreneurs to access needed capital for business development. The desire for bilingual and/or Spanish language capability is also important when service providers wish to do business with this community. Recognizing this need may motivate more service providers to partner to provide this capability. Several other recommended actions to promote LOBs access to capital include:

- (1) Increase financial institutions' awareness of Latino business-owner needs,
- (2) Increase awareness in the Latino community of available government assistance,
- (3) Develop partnership programs between Latino business-owners and prospective Latino business-owners with venture capitalists and other sources of private funding.

B. Business Development and Early Outreach. Personal interviews with local Latino businesses and various Latino community leaders demonstrate the need for new approaches and better strategies in promoting Latino businesses and entrepreneurs. Such new approaches and strategies should aim to help increase the level of participation of Latinos and Latino entrepreneurs in community and business development as well as to help improve their economic mobility. Some recommended actions for business development and early outreach are:

- (1) Develop programs that will partner Latino college students with corporate sponsors or mentors that will expose the students to the business world. Such programs will empower Latino youth and hopefully inspire them towards becoming business owners.
- (2) Microenterprise programs should be made available to offer direct services to individual entrepreneurs who are willing to grow their business. Microenterprise programs could be a significant business tool, especially if the services are adapted to the specific needs, time and place constraints of the individual entrepreneurs. This also includes working at policy levels to help interested policymakers and government officials build and fully fund structures and incentives that will enhance the process to formalize the informal business activities in the community.

C. Social Networks. The study reveals that many of the businesses surveyed in the Yakima Valley currently do not hold memberships to any local business organizations, including the Chamber-of-Commerce. This lack of social networking limits the opportunities available to Latino businesses for business development. As such, the recommended actions to increase social networks include:

- (1) Develop incentive programs for businesses that have or are striving towards achieving diverse corporate boards.
- (2) Encourage international trade, particularly in Mexico and South America.

The study also reveals a need for services that could help businesses who are beyond the start-up stage. Respondents whose businesses are in a growth stage of development perceive that there are few services available to help them get to the next level. They want programs, services, mentors and opportunities to learn from those who have been there before.

Finally, several of the interviewees considered the current state of relationships and communication between businesses and community leaders a barrier to growth. One community leader said, “There’s a potential, but you need to build relationships and work together.” However, the informants felt that this obstacle could be overcome. Every one expressed interest in building relationships with one another to create more opportunities for economic growth and Latino business development.

CHAPTER 1: INTRODUCTION, BACKGROUND AND METHODOLOGIES

What is the economic impact of Latino-owned businesses (LOBs) in the Yakima Valley? This most fundamental question is the focus of this study. This research is also the first to quantitatively analyze the economic contributions of LOBs in the Yakima Valley. The Yakima Valley is situated in south central Washington State. Agriculture is the lifeblood of the economy providing income and employment to most of its residents. The influx of many immigrants in the Yakima Valley is constantly growing and the prospect of future economic growth relies heavily on how and how well these new immigrants take on their lead in business development.

When the 2002 U.S Census Bureau report were released in March 2006, a flurry of report in local and national newspapers expressed astonishment at the rapid growth of Hispanic population and businesses, since the 1990 census.³ According to the census figures, the number of Hispanic-owned businesses grew 31 percent between 1997 and 2002 (the most recent data available), which is three times the national growth rate for other businesses.⁴ What has resulted, however, from this unexpected growth is a lack of information on the economic viability of these LOBs in the state and local communities.

³ Loftis, A. Graduate Thesis: *Role of Hispanic Families and Businesses in the Economy of Washington State*

⁴ Uranga, R. "Valley success stories mirror entrepreneurial trend" LA Daily News, March 2006

Information is scattered throughout various sources, which makes it difficult to readily analyze this community and its economic contributions.⁵

In an effort to acquire better understanding of LOBs and their contributions in the Yakima Valley, I have developed an economic impact study of LOBs and entrepreneurs in the area using both quantitative and qualitative economic and business data sources. The central questions of the study were “what are the economic impacts of LOBs in the Yakima Valley? And how large has the impact been?” While these questions set the tone for the study, there are several other key questions that I seek to answer, such as;

- A. How do Latino businesses contribute to the economic diversity in the Valley?
- B. What areas of concern are faced by Latino businesses?
- C. What can be done to increase the economic impact of Latino businesses in the area?

The answers to these questions will help Latino businesses and entrepreneurs to better plan and to gain better access to local, state and federal funding resources to help grow their businesses.”⁶ The examination of business and economic data provides useful information to assess the varying economic opportunities for local Latino businesses in the Yakima Valley.

This paper is divided into six chapters. Chapter one provides a general overview as well as detailed background of the various research methodologies employed in the study. Chapter two explores the LOBs and their markets, as well as current trends in minority business development, in general. An extensive review of various studies on minority business development and economic development was conducted to determine which

⁵ Ibid.

⁶ UW-YVCP research study proposal, 2005

economic theories were applicable. These theories are reviewed in more detail in Chapter three.

Furthermore, Chapter four provides general information about the characteristics of LOBs in the Yakima Valley. Chapter five examines both the quantitative and qualitative impacts of LOBs in the Yakima Valley. This section includes a detailed analysis of the surveyed businesses' financial information and performance. Chapter six investigates the growth opportunities for LOBs in The Yakima Valley. In this section, I have endeavored to show; first, a discussion of the increasing influence of Latino population in the area as reflected by their buying power. Secondly, I provide a discussion of the different approaches in which LOBs can be made to contribute to the community and the local economy. Lastly, I offer an exposition of the current legislative policies that promotes LOB development in Washington State.

Finally, Chapter seven integrates all the elements of the study into a strategic outline for informed LOB development in the area. It was concluded that various factors could contribute to the overall growth in the LOB sector in the Yakima Valley, leading to an even greater economic impact. These include the size of local buying power, a high rate of reinvestment, interest in working collaboratively and growing Latino population. An in depth review of each of the aforementioned economic factors is presented in the proceeding sections.

Reasons for Conducting the Study

According to the report by the US Census Bureau released in March 2006, Hispanic businesses in the United States are rapidly growing and expanding. However, in Washington State the reported growth of LOBs is less remarkable. From the period 1997 to 2002, the number of LOBs in the state has only increased by 3 percent compared to a notable 64 percent during the period 1992 to 1997.⁷ The overall growth rate for new businesses in the region is four percent.⁸ Nonetheless, the growth is still a significant economic indicator reflecting both the region's vibrant economy and the continued surge of Latino immigrants in the region. What emerges from this data is a sense of the growing impact of Latinos on the entire economy, particularly in their capacity as entrepreneurs. This demonstrates urgency in understanding how Latino-owned businesses operate within the economy as a whole, and what effects these businesses have on their communities.

Presently, LOBs in Yakima County account for 11 percent of the state's total Hispanic-owned businesses, but only represents 9 percent of the county's total firms.⁹ Studies on LOBs have been conducted in larger cities, including Memphis, Texas, Minnesota, Providence, San Francisco and Chicago about LOBs impact to the local economy. These studies, however, are focused primarily on the number of Latino-owned businesses in the urban areas and solely on businesses in the Central Business Districts (CBDs). This is understandable, given the relatively high visibility of these areas. However, it also is important to note that LOBs are not exclusively concentrated in urban areas. There are growing numbers of Latino-owned businesses that are located outside of the urban areas, and their economic impact cannot simply be summarized by talking about revitalization of

⁷ US Small Business Administration, business data for 1992-2002

⁸ US Census Bureau, most recent available data (2002) was published in September 2005

⁹ Loftis, A. Graduate thesis: *The Role of Hispanic Families and Businesses in the Economy of Washington State*.

neglected inner-city areas. In a 1998 study, for instance, the primary economic impact credited to Latino-owned businesses was their ability to revitalize poor or under-developed urban areas (Palmaffy, 31).

In the Yakima Valley news media, the only comprehensive information available is a series released in December 2000 by the *Yakima-Herald Republic* titled “A Look at Race Relations in Yakima Valley” that highlights issues of diversity in the region.¹⁰ As the Latino populations in the Yakima Valley continue to grow, the impact of new businesses will be even more important in rural areas, and this impact needs to be researched and understood.

Furthermore, it is also a common observation in the business communities in the Yakima Valley that Latino-owned firms are evolving and expanding. While this trend continues to gain momentum, development specialists and local community organizers show concern about the growth prospects of these emerging local enterprises. Several of the interviewees have indicated that “there’s very little recognition of LOBs by local government officials.”¹¹ However, despite the lack of recognition, the Latino business community in the Yakima Valley continues to create positive economic impact in the local economy. Analyses of survey conducted with local businesses have the general contributions of LOBs in the Yakima Valley include promoting economic mobility, neighborhood cohesion, rise in property values, and reduction in crime rates.¹² Studies have shown that these factors are also widely accepted indicators of LOBs economic impact.

¹⁰ Loftis, A. Graduate Thesis: *Role of Hispanic Families and Businesses in the Economy of Washington State*, Introduction.

¹¹ Excerpts from personal and phone interviews with Prof. Len Black, Program Chair Business and Accounting Program, Heritage University (March, 2006) and Mr. Uriel Iniguez, Executive Director, WA State Commission on Hispanic Affairs (March, 2006)

¹² Yakima-Herald Republic (December 2000) “*A Look at Race Relations in Yakima Valley*”

Research Methodology

This study used both quantitative and qualitative methods to better understand the business impact and needs of LOBs in the Yakima Valley. First, a survey was developed and was written in both English and in Spanish. Copies of the survey are included in the appendices. An in-person survey was conducted for pre-selected Latino business owners and entrepreneurs. A contact database of LOBs was provided by the UW-YVCP that included both members and prospects. Using the list of survey referrals, business owners were contacted and asked if they would agree to participate in the study.¹³ If agreed, an appointment was set for the survey. The survey took approximately 10 to 20 minutes. In-person surveys with LOBs were conducted both in English and Spanish. The purpose of the survey was to delve more deeply into the opportunities and challenges of Latino-owned businesses as they start and grew their businesses.

In addition to the survey, a dozen telephone and in-person interviews referred to not clear what referred to means in this context by UW-YVCP were conducted. The interview participants include individuals from the Washington State Commission on Hispanic Affairs, selected community leaders and the University of Washington Community and Educational Partnership Program. Using the list of interview referrals, the individuals were contacted by phone and email for an informational interview. The interviews were conducted by phone and in-person, which took approximately 20 to 30 minutes. All of the interviews were conducted in English.

In total, 100 surveys (both English and Spanish) were administered and handed out to area businesses with a 62% response rate. The list of survey questions is found in Appendix 2. The surveys were conducted in March 2006 to May 2006. The language and

¹³ Brenda Castaneda, a business student at Heritage University hired by UW-YVCP as my research assistant to conduct surveys and helps administer the Spanish interviews.

geographical distribution is as follows:

SURVEY ID						
Survey Language	Sunnyside	Toppenish	Yakima	Multiple Loc.	Others	Total
English	10	10	21	2	5	48
Spanish	2	6	4	2	0	14
Total	12	16	25	4	5	62

The first round of interviews conducted in late February 2006 was focused on gathering data to shape the questionnaire. The subsequent round of interviews conducted in May to June 2006 is more in-depth informational interview. The list of interview questions is found in Appendix 1. Following is a thorough discussion of the analytical tools used in the study.

Analytical Tools

The study utilized a variety of analytical research tools and methodologies. First, in order to better characterize and understand the current state of LOBs in the Yakima Valley, a range of research techniques are employed to obtain important descriptive data, including: a review of demographic information for the selected communities; the completion of a survey for Latino-owned businesses; an examination of both quantitative and qualitative data about the current trends and issues for LOBs; and an inventory of LOBs in selected communities in the Yakima Valley. To better augment these descriptive research techniques, interviews with various intermediaries, including government officials, scholars and community leaders were performed to identify issues and problems for LOBs and entrepreneurs. Also, interviews with specific business owners were conducted in order to obtain “street level” opinions and perspectives on conducting business in the area. Following from the identification of problems and opportunities, recommendations are made, and strategies are suggested for realizing these recommendations for development in the Latino

business community. To expand upon these phases of the analysis, a more detailed consideration of each step is provided below.

Sample Design

The target sample population for the project includes pre-selected LOBs in the Yakima Valley, particularly LOBs located in the cities of Sunnyside, Toppenish and Yakima. A total number of 62 businesses were surveyed to complement data requirements.

Questionnaire Development

The many questions raised by this project can be summarized in these two questions: “What are the economic impacts of LOBs in the Yakima Valley? How big has the impact been?” In order to better understand the current influence and contributions of Latino-owned business (LOB) in the area, a detailed survey was conducted, following five general topics:

- A. *Business Information.* The survey asks for basic business information including months of operation, type of operation, types of customer, method of selling, end-of-year status, ownership, and number of employees. This information is needed to profile how and how well the diverse businesses in the Yakima Valley are working and changing.
- B. *Financial Information.* The survey asks for the latest financial information for each business, including costs or expenses, receipts or revenues (breakdown of expenditures by category such as: payroll, advertising/promotion, capital/equipment, and property tax. This information is needed to document traditional and emerging economic performance.
- C. *Program Awareness.* The survey asks questions about awareness and utilization of local economic/business development programs and services in the area. This

information is needed to document the various programs and services for Latino businesses in the Yakima Valley and to assess program impact in business development.

- D. *Community Linkages*. The survey inquires about the key activities of local businesses outside of their usual business operation and their active involvements in community activities, organizations and other events. This information is needed to profile the various roles of Latino businesses in the community.
- E. *Business Climate and Trends*. The survey asks for issues and concerns that affect local Latino businesses in the area. This information is needed to document the challenges of local businesses and evaluate the local business environment.

Web-Based Data Collection

The study has also utilized web-based data collection for accessing online data statistics not available in local libraries. This includes secondary sources and online publications, such as the U.S. Bureau of the Census Population Survey, Business and Economic Survey of the U.S. Small Business Administration, Larson Northwest Research and Consulting data , Economic Census for Minority and Women Business Statistics, and online reports by the Washington State Commission on Hispanic Affairs.

Definition: Latino vs. Hispanic

The terms “Latino” and “Hispanic” are common in government and academic publications, and quite often are used interchangeably. In its most basic illustration, the term “Latino” refers to those whose heritage is Latin American, while “Hispanic¹⁴” refers to anyone whose primary language is Spanish, including natives of Spain and Latin America. In this study, the

¹⁴ A more detailed explanation of the terms is presented in the book *The Rise of the Hispanic Market in the United States* by Louis E.V. Nevaer.

term “Hispanic” will be used only when citing sources that uses the term, such as Census data and in direct quotes. This research defines Latino-owned businesses as firms in which Latinos own 75 percent or more of the stock or equity of the business. The data were collected from a sample of Latino businesses in Sunnyside, Toppenish and Yakima, including individual proprietorships, partnerships, or any type of corporation. The participants of the study were mainly Mexican-American business owners and entrepreneurs, hence the preference to the term Latino” and “Latino-owned Businesses (LOBs).”

Limitations of the Study

This study is the first to quantify the economic impact of LOBs and entrepreneurs in the Yakima Valley. The challenges and issues were plentiful. The limitations of this study include the selection of sample population and size. The majority of the interviews were conducted in major cities in the area, primarily in Yakima, Sunnyside and Toppenish where the majority of LOBs are situated. Similarly, the interviews were exclusively administered to Latino business owners and entrepreneurs, but not to other local minority businesses. The information on other minority businesses could have been useful for comparative purposes, especially on issues concerning business development and growth.

Finally, while this study identifies major issues and contributions of Latino business owners and entrepreneurs, it is not an in-depth social or economic study. Instead, it is designed to provide a basic understanding and to underscore the many opportunities and impacts of LOBs in the Yakima Valley.

CHAPTER 2: THE YAKIMA VALLEY AND THE LATINO MIGRANTS



The Yakima Valley Statistical Information

(U.S. Bureau Census Estimate, 2005)

Population - Yakima County – 231,586
(ranked 7th in Washington State)

Land Area - 4,296 square miles
(ranked 2nd in Washington State)

Industry – Agriculture
ranked 1st number of all fruit trees (US)

Figure 1. Washington State County Map (Office of Financial Management, 2000)

The Yakima Valley is situated in south central of Washington State (see, Fig. 1), with close proximity to the Puget Sound and Portland areas. It covers an area of approximately 4,296 square miles, making it the second largest county in land area in Washington State.¹⁵ The Yakima Valley is also one of the fastest growing areas in Eastern Washington.

Population

The Yakima Valley's growing population is the seventh largest in the state of Washington, with an estimated 231,586 residents.¹⁶ As reported in the Census 2000 Demographic Profile Highlights, the three largest municipalities in the valley are the cities of Yakima with a total population of 71,845 residents followed by Sunnyside with 13,905 and

¹⁵ About Yakima County, General Information: <http://www.co.yakima.wa.us>

¹⁶ US Census Bureau, 2005 Population Estimates, General Demographics <http://factfinder.census.gov>

Toppenish with 8,946.¹⁷ The annual population rate change for the current period (2000 to 2005) is about 3.02 percent, which is attributed to the steady increase in birth rates.¹⁸

Table 1. General Demographic Characteristics, Hispanic Origin and Race Profile for Washington State and Yakima County (2003 American Community Survey)

HISPANIC ORIGIN AND RACE, 2003¹⁹		
	<i>Estimate</i>	<i>Percentage</i>
Total population-WA State	5,990,020	2.1%
Hispanic or Latino (of any race)- WA State	478,824	7.9%
Total population-Yakima County	222,984	3.7%
Hispanic or Latino (of any race)- Yakima County	86,243	38.7%

The Yakima Valley's resident and migrant populations are one of the most diverse in the State, with large concentrations of Latinos, Asians, Native Americans, and Europeans. The Latino population accounts for 38.7 percent of the County's total population. (see Table 1) The Yakima Valley also has a large temporary and seasonal population, which is higher during the peak agricultural seasons. This temporary population has been estimated at up to 50,000 additional people during peak agricultural periods.²⁰ The Hispanic population comprises approximately eight percent of the state's total population, which has doubled in the past decade.²¹

In Yakima Valley, the Hispanics represent approximately 39 percent of all residents in the county, making them the largest minority in the area. According to the US Census Bureau, it is also likely that the number for Latino population is higher as undocumented residents and migrant laborers were not accounted for in the Census (Census, 2000).

¹⁷ US Census Bureau, Census 2000 Demographic Profile Highlights <http://factfinder.census.gov>

¹⁸ Office of Financial Management, Population and Components of Population Change by County: April 1, 2000 to April 1, 2005: <http://www.ofm.wa.gov/pop/april1/default.asp>

¹⁹ The 2003 American Community Survey is limited to the household population and excludes the population living in institutions, college dormitories, and other group quarters.

²⁰ Talamantes, M. (2001), Degree Project: The Race Representation, p.9

²¹ US Census Bureau, 2003 Population Estimates, General Demographics <http://factfinder.census.gov>

Roughly 95 percent of the Hispanics in the area are of Mexican descent. (See Figure 2.

Ethnicity and Origin)²² Furthermore, many of the local communities in the Valley have

reported remarkable growth in their Latino

populations; many of the communities are

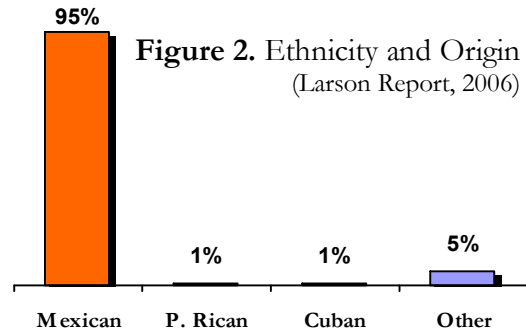
now 70% to 90% Latinos. As Latino

population in the Yakima Valley continues to

increase, the impact of new businesses will be

even more important in rural areas, and this

impact need to be understood.



The Yakima Valley's Agricultural Economy and Other Industries

The National Agricultural Statistics Service of the Department of Agriculture ranked the Yakima Valley first in the number of all fruit trees in the United States. It produces more

apples, hops and hay in the country.²³ Additional agricultural products produced in the area

include peaches, apricots, cherries, beef, wheat, and grapes. The Yakima Valley has also

surpassed Whatcom County as Washington State's leading producer of cow and dairy

products.²⁴ Agriculture is the dominant regional economic and employment sector in the

area.²⁵ However, a recent article in the *Yakima Herald-Republic* characterized the Yakima

Valley's agricultural industry as "struggling to keep up with growing global competition due

to the continued loss of farm workers."²⁶

²² Ibid.

²³ 2002 Census of Agriculture County Profile. National Agricultural Statistics Service, Counties, Yakima, Washington, <http://www.nass.usda.gov/wa/counties/cnty077.htm>

²⁴ About Yakima County, Major Industry <http://www.co.yakima.wa.us>

²⁵ Krissman, Fred. 1999. "Agribusiness Strategies to Divide the Workforce by Class, Ethnicity and Legal Status", in *Race, Ethnicity and Class in the United States*, ed. Paul Wong. Colorado: West View Press, 215-255

²⁶ Mao Hoang, "Fox in Yakima--Illegal immigrants vital to Valley's economy" *Yakima Herald-Republic*. May 24, 2006. <http://www.yakima-herald.com>

Moreover, a report by the 2002 Census of Agriculture showed that the Yakima Valley has experienced a 15 percent decline in the number of farms, from the period 1997 to 2002. Likewise, the market value of production is down by 6 percent in the same period.²⁷ Despite this trend, the Yakima Valley has shown growth in other key local industries.

The Economic Survey for Yakima County released by the U.S. Census Bureau, Economic Census 2002 reflects an increasing trend in economic activities in the service sectors, primarily in the Professional, Scientific, and Technical Services (24%), Administrative and Support Services (21%) and Educational Services (20%). (See Table 2)

Table 2. Selected Statistics by Economic Sector: No. of Firms, 1997 and 2002²⁸

Sectors	No. of firms (1997)	No. of firms (2002)	Percent Change
Agriculture*	4,377	3,730	-15%
Educational Services	20	25	20%
Professional/Technical	226	298	24%
Manufacturing	239	244	2%
Administrative/Support Services	135	171	21%
Retail Trade	854	800	-7%
Health Care/Social Assistance	499	532	6%
Real Estate, Rental and Leasing	212	216	2%
Accommodation/Food	411	404	-2%
Arts, Entertainment and Recreation	73	72	-1%

Note:*2002 Census of Agriculture County Profile; also Forestry, Fishing and Hunting

In terms of employment, the following industry sectors showed employment growth: Educational Services (63%), Arts, Entertainment and Recreation (45%), Professional, Scientific and Technical Services (22%), and Health Care and Social Assistance (14%). (See Table 3)

²⁷ 2002 Census of Agriculture County Profile. <http://www.nass.usda.gov/wa/counties/cnty077.htm>

²⁸ U.S. Bureau of the Census, 2002 and 1997 Economic Census. www.factfinder.census.gov

Table 3. Selected Statistics by Economic Sector: No. of employees, 1997 and 2002²⁹

Sectors	No. of employees (1997)	No. of employees (2002)	Percent Change %
Agriculture, Forestry, Fishing and Hunting*	Not available	6,005	n/a
Educational Services	60	161	63%
Professional, Technical Services	1,317	1,688	22%
Manufacturing	10,163	9,781	-4%
Administrative and Support Services	1,392	1,501	7%
Retail Trade	10,174	9,397	-8%
Health Care and Social Assistance	9,542	11,149	14%
Real Estate and Rental and Leasing	1,018	877	-16%
Accommodation and Food Services	5,371	4,878	-10%
Arts, Entertainment and Recreation	938	1,701	45%

Note:*2002 Census of Agriculture County Profile: Operator Characteristics by race.

The Latino Business: National and Local Trends

According to the Survey of Business Owners: Hispanic-Owned Firms: 2002, released by the U.S. Census Bureau, the number of Hispanic-owned businesses grew 31 percent between 1997 and 2002, which is three times the national average for all businesses. This trend is also evident in Washington State, which reported a 3 percent increase in LOBs between 1997 and 2002 (Table 4). In the Yakima Valley the growth rate of LOBs is 18 percent and now accounts for 11 percent of all Hispanic firms in the State (Table 5).³⁰ Since 2002, The Latino industry profile for Washington State and the Yakima Valley has shaped like this:

Table 4. Selected Statistics from the 2002 and 1997 Economic Census, Washington State

Business Ownership	All Firms		Firms with Paid Employees			
	Firms (number)	Sales and Receipts	Firms (number)	Sales and Receipts	Employees (number)	Annual Payroll

²⁹ U.S. Bureau of the Census, 2002 and 1997 Economic Census. www.factfinder.census.gov

³⁰ 2002 Survey of Business Owners Preliminary Estimates of Business Ownership by Gender, Hispanic or Latino Origin, and race: 2002. www.census.gov

		(\$1,000)		(\$1,000)		(\$1,000)
Washington	467,337	448,230,453	135,614	434,024,362	2,132,434	80,862,068
Hispanic, 2002	10,296	1,548,079	2,362	1,329,626	15,954	325,524
Hispanic, 1997	10,009	1,711,293	2,286	1,516,628	18,830	350,383
% Change	3%	-11%	3%	-14%	-18%	-8%

Table 5. Selected Statistics from the 2002 and 1997 Economic Census, Yakima County

Business Ownership	All Firms		Firms with Paid Employees			
	Firms (number)	Sales and Receipts (\$1,000)	Firms (number)	Sales and Receipts (\$1,000)	Employees (number)	Annual Payroll (\$1,000)
Hispanic, 2002	1,087	134,187	196	112,119	711	14,475
Hispanic, 1997	886	75,892	235	62,739	976	13,498
% Change	18%	43%	-20%	44%	-37%	7%

Since the 1990 Census, Yakima has seen a tremendous increase in the number of small Latino business enterprises. More apparently, the number of Latinos entering the service sector and the selling profession is continuously expanding. This trend is more evident in the Yakima Valley where the majority of new Latino enterprises are connected to service delivery and retail trade.³¹ According to the report released by the Economic Census for Minority and Women-Owned Businesses Statistics, the combined retail and service sectors for LOBs account to approximately 39 percent of the total minority businesses and represent approximately 5 percent of all firms in the Yakima Valley.³² Since about 2000, the areas average Hispanic industry profile has shaped like this:

³¹ Major Hispanic Industries in Yakima County: 1997 Economic Census Minority and Women-Owned Businesses Statistics. www.census.gov. This is the most recent data available released in 2000 by the U.S. Census Bureau.

³² Ibid.,

Table 6. Major Hispanic Industry Sectors in Yakima Valley (1997 Economic Census Minority and Women-Owned Businesses Statistics)

Major Industry	Minority Firms		
	(A) All Firms in Yakima	(B) Total Hispanic	(C) % Total of LOBs
Agricultural	406	24	6%
Construction	1,295	89	7%
Manufacturing	433	19	4%
Transportation	566	56	10%
Wholesale	543	10	2%
Trade, Retail	2,335	202	9%
Finance	1,166	23	2%
Service	4,943	301	6%

Note: Total percent does not add up to 100 due to rounding.

The Yakima Valley has 11 percent of the state's Hispanic businesses, but only represents 9 percent of the county's total LOBs. The majority of those businesses are concentrated in Transportation (10%), Retail (9%), Construction (7%), Service and Agricultural (6%) sectors. In addition, the retail sector employs more workers than any other business industries in the area. The report released in 2000 by the U.S. Census Bureau Minority and Women-Owned Businesses Statistics estimated that 53 percent of LOBs total workforce is employed in the retail sector. This is not surprising since many of the new and existing businesses in the area are small retail and family-owned enterprises, primarily concentrated in personal services, repair, maintenance, automobile and motor vehicle and parts dealerships.³³

In terms of total sales and receipts, LOBs account for 51 percent of the total sales and receipts among minority businesses in the area. According to the Larson Northwest Report (2006), "business [in general] has been very good with receipts for Hispanic

³³ Survey of Business Owners - Hispanic-Owned Firms: 2002 (US Census Bureau, 2002 Census Bureau Hispanic Summary of Findings)

businesses growing at roughly twice the national general market average.”(22) The retail trade surpassed all other industries in terms of largest receipts for Hispanic owned firms at 47 percent; where 71 percent of the receipts were attributed to firms owned by Mexican-American entrepreneurs.³⁴ This shows the overwhelming growth potential in this industry. Growth in some of the markets has been as high as 250%.³⁵ Consequently, many of these local entrepreneurs are now beginning to focus on learning how to compete in the general market, particularly in areas where there are greater prospects for Hispanic consumers.

The Latino Migrants

Where do the Latino migrants come from? Between 1960 and 1970, the Yakima Valley has experienced a growth among its Latino populations, particularly its Mexican population, most of it due to the “Bracero” program sponsored by the state of Washington and funded by the US government, which began in 1942.³⁶ The Bracero program allowed agricultural guest workers to legally come into the United States to live and work. According to the Larson Report (2006), “the 1987 Immigration Reform and Control Act made residency possible for tens of thousands of Hispanics, and the explosion of the manufacturing industry during the 1990s cemented the region’s diversified Hispanic employment picture.” The sudden growth of the agricultural industry in the early 80’s and 90’s in the Yakima Valley overwhelmed local labor and the continued lack of workers strained the agricultural industry. The labor demand allowed Mexicans legal entry into the US through the Bracero program. With a large number of Bracero workers, a strong connection between Yakima and Mexico was established, generating a significant permanent

³⁴ U.S. Census Bureau. 1997 Economic Census, Minority and Women-Owned Businesses: Yakima, WA

³⁵ Larson Northwest Report and Consulting (2006) *Latino-Owned Businesses*, p.22

³⁶ Cartagena, C. (2005). *Latino Boom*. Ballantine Books: NY. p.10

population of Latinos in the Yakima Valley.³⁷ Also, a strong connection was established between Texas and the Yakima Valley; many Mexican Americans during this time period migrated from southern Texas to the Yakima Valley.³⁸ The influx of these new Hispanic migrant workers “has always been followed by an increase in Latino entrepreneurs....”³⁹ The result is the emergence of three distinct groups: Latino migrants, residents and entrepreneurs.

³⁷ Maldonado, Carlos and Garcia, Gilberto. 1995. *The Chicano Experience in the Northwest*; Iowa: Kendall/Hunt Publishing

³⁸ Talamantes, M. (2001). Degree Project: The Race Representation: Latino Underrepresentation in Economic Development Councils. p.7

³⁹ Larson Northwest Hispanic Market Report (200-2007): *Brief Story of our NW Market* p.2

CHAPTER 3: THE MINORITY ENTREPRENEURSHIP EXPERIENCE

The Case for Minority Entrepreneurship

Entrepreneurship is a continuously evolving and expanding field of study. This particular study examines the issues of minority entrepreneurship as well as small business practice and development, in general. A study by Dr. Gwen Richtermeyer, program Director at the University of Missouri Outreach and Extension program defines minority entrepreneurs “as business ownership by any individual who is not of the majority population.”⁴⁰ However, in more general terms, economists define “entrepreneurs” in variety of ways, but three important concepts are risk-taking, resource allocation, and innovation. What distinguishes an entrepreneur from someone who simply owns or manages a business is the ability of the entrepreneur to see opportunities in the market that other agents are not pursuing, and to act on those opportunities. Examples include starting businesses that others might deem too risky or seeing an opportunity for a niche market that other people do not see.⁴¹

Knight (1921) first identified the ability of entrepreneurs to act even though there is uncertainty, whereas other agents in the economy would not act under that uncertainty (Glancey and McQuaid, 52). The risk the entrepreneur assumes may be losing money, spending too much time, or losing social status. Kirzner (1997) described the role of entrepreneurs as “opportunity-exploiters.” The opportunities in the market that

⁴⁰ Richtermeyer, G. (2002). *Minority Entrepreneurs: A Review of Current Literature*. p.4

⁴¹ www.HACER.org

entrepreneurs pursue may have arisen out of changes in the economy, or the entrepreneurs themselves may create them. What is central to this description of entrepreneurship by economists is that entrepreneurs perform the important function of improving market efficiency. By acting on opportunities that would otherwise be by-passed, and by creating innovations, entrepreneurs improve the efficiency of the entire market (Glancey and McQuaid, p.5-8). They also, according to Kirzner, function as role models, turning the knowledge that only they held into public knowledge, and other agents will eventually duplicate their strategies.⁴²

A second, more disputed role of entrepreneurs is their function in job creation. David Birch (1979) was the first to argue that entrepreneurs, particularly small business owners, create the majority of jobs in the United States. Studies continue to show data that support this hypothesis; a 2004 report by the Small Business Administration shows that 70% of all new jobs in the U.S. were created by small businesses.⁴³ This theory has come under fire, however, by other studies that point to two factors not taken into account.⁴⁴ The first is the high failure rate of small businesses. That is, the numbers of jobs created by small businesses would be considerably lower if one took into account the relatively higher failure rate of those firms and the high number of jobs that are thus lost.

Second, the job creation rate may vary throughout the stages of the business cycle, and some economists claim that studies have not taken data from entire cycles.⁴⁵ A 1999 study of self-employment and job creation in the U.S. and Canada found that while self-

⁴² Ibid. p.63

⁴³ US Census Bureau 2004 Report. http://www.census.gov/Press-Release/www/releases/archives/economic_surveys/003102.html

⁴⁴ For further reading on the topic, please see Chapter 2 of Glancey and McQuaid's *Entrepreneurial Economics*.

⁴⁵ Ibid. p.31

employment in the 1990s accounted for a large portion of net job creation in Canada, self-employment had no effect on the net job creation in the U.S. (Manser and Picot, 10).

Socio-Economic Characteristics of Latino Entrepreneurs

A series of studies on minority entrepreneurship conducted at the University of Missouri (2002) reveal that “immigrants may have higher rate of entrepreneurship than the native-born population, because they have characteristics similar to those that define entrepreneurs in general.” For instance, immigrants are more likely to be risk-takers, as their migration demonstrates (Waldinger et al., 32).

Niche opportunities are available to all entrepreneurs when there are under-served markets. Immigrants may be more responsive to these under-served markets, particularly when they reflect needs of their own ethnic community.⁴⁶ This may explain why the typical business cycle for an immigrant starts as they provide certain goods and services to other members of their ethnic group. Eventually, immigrant entrepreneurs are able to attract other immigrant groups to their businesses, and finally their market expands to the non-immigrant community (Deyoung, 2). This is possible when there is uncertainty in the market or when the immigrant entrepreneur is able to provide exotic goods to which the larger community would not otherwise have access, or which would otherwise cost a great deal more.⁴⁷

Economists have argued that the reasons Latinos decide to open small businesses are that they are looking for a higher income than what they would earn as salaried employees⁴⁸ or

⁴⁶ Ibid.p.26

⁴⁷ Ibid.

⁴⁸ Glancey and McQuaid's *Entrepreneurial Economics*. p.53

that they find little mobility in other sectors.⁴⁹ Other factors affecting the success of Latino entrepreneurs include the length of residency in the country (Feldman et al. 6), amount of prior business experience (Glancey and McQuaid 12), ability to market to the greater community, language ability, and the presence of discrimination.⁵⁰

⁴⁹ Ibid. p.32

⁵⁰ The Larson Northwest Hispanic Market Report. (2006-2007) pps.10-13

CHAPTER 4: PROFILE OF LATINO BUSINESSES IN THE YAKIMA VALLEY

General Business Characteristics

This section illustrates general characteristics of the businesses interviewed in the Yakima Valley. The data gathered from businesses provide useful information about the type, scope and scale of Latino businesses in the Yakima Valley. This information is necessary to profile how well the diverse businesses in the area are working and changing. The general business data category includes information about: location, type of business, legal structures, number of years in business, employment and customer profile. The results of the survey are as follows:

Business Location

The majority of the businesses surveyed (40 percent) were from the city of Yakima. This is understandable, given the relatively high concentration of LOBs in the area. The combined total for the cities of Sunnyside and Toppenish accounts for 47 percent of the total respondents. (See Table 7. Respondents by Location)

Table 7. Respondents by Location

<i>Respondents by Location</i>	<i>No. of Business Surveyed</i>	<i>Percent</i>
Sunnyside	12	19.4
Toppenish	17	27.4
Yakima	25	40.3
Other	8	12.9
Total	62	100.0

Note: The “Other” category includes Grandview and Granger

Business Sector Breakdown

In terms of business sector breakdown (Table 8), the businesses surveyed can be classified into four major industries, including Retail (38 percent), Professional services (27 percent), Restaurant/bar (13 percent), and Manufacturing (3 percent). There is also a growing presence of the transportation and entertainment sector in the valley, which accounts for almost 10 percent of the surveyed businesses. However, despite, the growing participation of Latino businesses in these sectors, there is still a dearth of representation in some industries. For instance, construction, wholesale, finance and high technology are areas in which Latinos are grossly underrepresented. While Latinos are conspicuously lacking in these areas, they have high rates of participation in the combined retail and service sectors (66 percent), where per-employee revenue tends to be the lowest. Indeed, it is important for Latino entrepreneurs to gain a greater foothold in industries other than retail and service, which tend to bring in higher revenue per-worker.

Table 8. Business Sector Breakdown

<i>Business Sectors</i>	<i>No. of Business Surveyed</i>	<i>Percent</i>
Manufacturing	2	3.2
Professional Services	17	27.4
Retail	24	38.7
Restaurant Bar	13	21.0
Other	6	9.7
Total	62	100.0

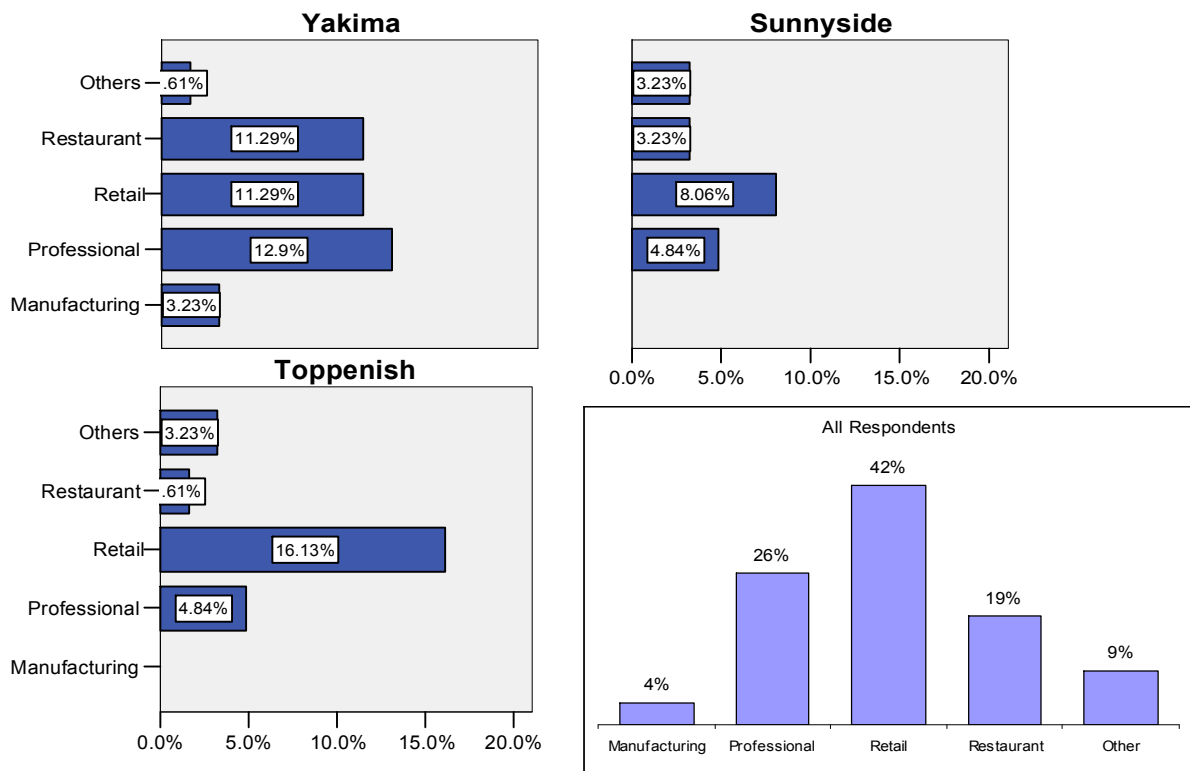
Note: The “Other” category includes Transportation, Nonprofit, Religious and Entertainment

Illustrated below (Chart 1) is a snapshot of the breakdown of the industry sectors by city/community. This diagram provides a better understanding of the different business sectors that drives economic growth in the local economy. Retail industry accounts for the

majority of businesses surveyed in Sunnyside (8 percent) and Toppenish (16 percent).

Professional services account for the majority of the businesses surveyed in Yakima (13 percent), followed by retail and restaurant (11 percent) in a close second.

Chart 1. Business Sector Breakdown for Each City⁵¹



Overall, the retail industry makes up 42 percent of the total businesses surveyed, followed by professional services (26 percent), restaurant (19 percent), and manufacturing (4 percent).

Business Type (Legal Structure)

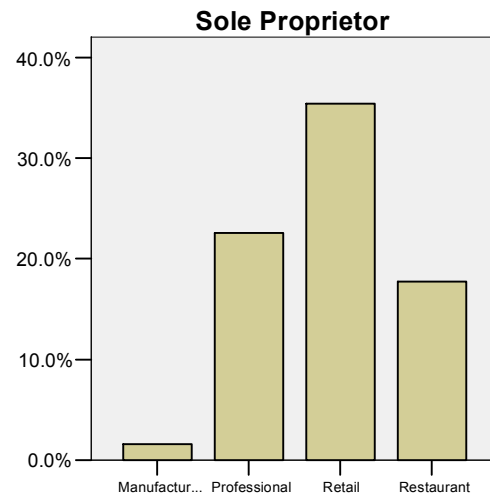
Another interesting observation about LOBs in Yakima Valley is that many of the businesses surveyed are primarily sole proprietors and family-owned enterprises (84 percent).

⁵¹ The diagram labeled “All Respondents” does not include respondents who answered “multiple and other locations”. Four respondents identified having multiple locations and five identified as located outside the three major cities, such as Grandview.

(Table 9) Further investigations have indicated that the majority of the areas sole proprietor businesses are concentrated in retail and professional service industries.

Table 9. Business Type (Legal Structure)

<i>Business Type</i>	<i>Percent</i>
Corporation	9.7
Nonprofit	3.2
Partnerships	3.2
Sole Proprietorship	83.9
Total	100.0



Number of Years in Business

In terms of the length of business ownership, the majority of the businesses surveyed (52 percent) are relatively new enterprises with less than five years of ownership, while 25 percent of the businesses have owned their business for more than ten years or more.

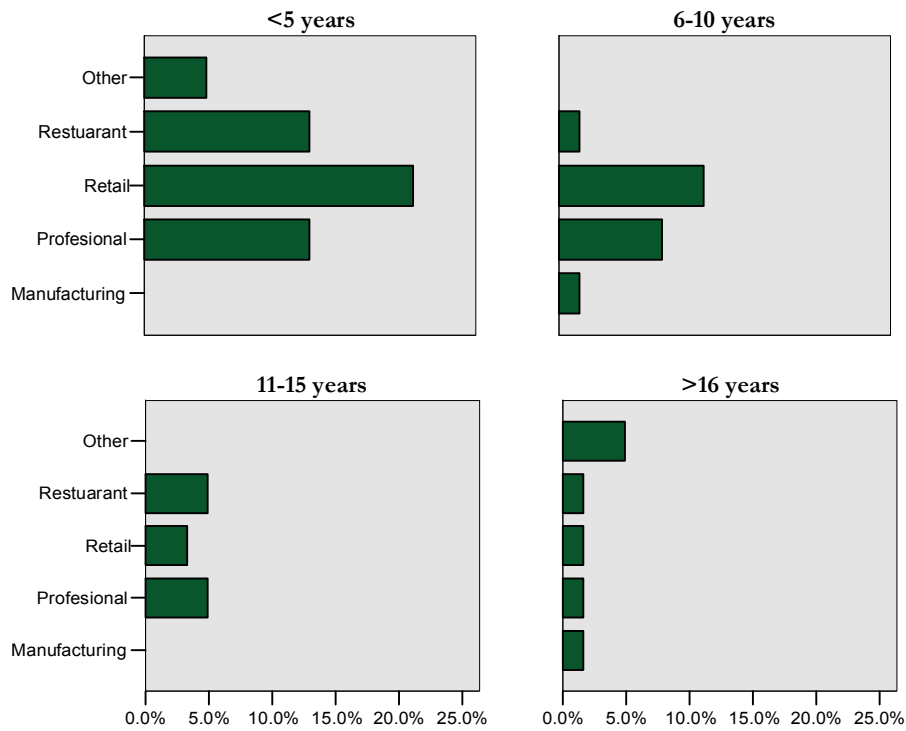
Table 10. Years in Business

<i>Years in Business</i>	<i>No. of Business Surveyed</i>	<i>Percent</i>
< 5 years	32	51.6
6-10 years	14	22.6
11-15 years	8	12.9
> 16 years	7	11.3
Missing	1	1.6
Total	62	100.0

Furthermore, the analysis of the length of ownership among the different industry sectors show that a large number of the new businesses in the area are concentrated in the retail industry (23 percent), as well as Restaurant and Professional services (15 percent).

Various examples of businesses identified with the Professional service sector include accounting, insurance, beauty salons and auto mechanics. (Chart 2)

Chart 2. Years of Operation by Industry Sector



Employment

The following table (Table 11) shows the breakdown of the number of employees by business sectors. Eighty percent of the businesses surveyed employ less than 5 employees, while only 7 percent employ 11 and more employees.

Table 11. Number of Employees

Number of Employees	<i>No. of Business Surveyed</i>	<i>Percent</i>
Less than 5	49	79.0
6-10 employees	8	12.9
11-15 employees	2	3.2
More than 20	2	3.2
Missing	1	1.6
Total	62	100.0

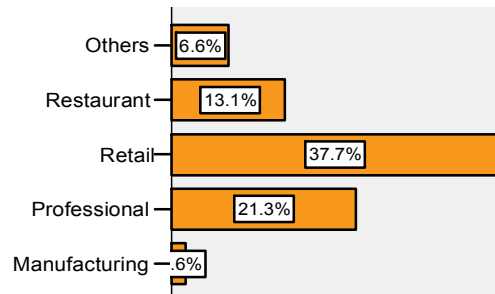


Chart 3. Employment breakdown by sector (with less than 5 employees)

On average, the retail and professional service sectors employ less number of employees (full-time and part-time) at 38 percent and 21 percent, respectively. (Chart 3)

Other useful findings for general Latino business characteristics include:

Table 12. Days Open

Days Open	No. of Business Surveyed	Percent
7 days a week	35	56.5
5 days a week	5	8.1
6 days a week	22	35.5
Total	62	100.0

- 57 percent of the businesses surveyed are operating 7 days a week, 57 percent of which is also open for 8-12 hours.
- Retail (40 percent) and Restaurant (34 percent) are open 7 days a week.
- 50 percent of the Professional Service sector is open 6 days a week, mostly closed on Sundays and holidays.

Hours of Operation

- The majority of the businesses (66 percent) are open from 8-12 hours, 22 percent are open between 12-20 hours.

- 43 percent of the Restaurant/Bar related businesses are open 12-20 hours.

Table 13. Hours of Operation

Hours of Operation	<i>No. of Business Surveyed</i>	<i>Percent</i>
20-24 hours	2	3.2
8-12 hours	41	66.1
12-20 hours	14	22.6
Less than 8 hours	4	6.5
Missing	1	1.6
Total	62	100.0

Table 14. Number of Business Locations

Number of Business Locations	<i>No. of Business Surveyed</i>	<i>Percent</i>
1	54	87.1
2	3	4.8
3	1	1.6
More than 4	3	4.8
Missing	1	1.6
Total	62	100.0

- 87 percent of the businesses have single location and 5 percent have more than four locations in the area.
- The study also indicates a correlation between years of operation and current number of business ownerships for the study group.⁵² This shows that a business owner has a greater chance of owning more than one business the longer he/she has been in the business. This also takes into account business experience.

Customer Profile

One of the goals of the survey is to identify the niche market population for LOBs. Recent studies in small business development have indicated that minority businesses are developed initially to provide services and meet the needs of its ethnic populations that

⁵² Correlation is significant at .001 (2-tailed)

would otherwise not be available.⁵³ The surveys of businesses in the Yakima Valley reflect this trend. For instance, the majority of the Latino businesses (79 percent) serve fellow Hispanic populations, whereas only 18 percent cater to mixed populations. (Table 15)

Table 15. Business Clients by Ethnicity

Clients By Ethnicity	<i>No. of Business Surveyed</i>	<i>Percent</i>
Hispanic	49	79.0
Caucasian	2	3.2
Mixed	11	17.7
Total	62	100.0

Client breakdown by ethnicity:

- 7 percent of the surveyed Latino businesses in the area serve less than 25% of Asians.
- 72 percent of the surveyed Latino businesses serve less than 25% of Caucasians.
- 25 percent of the surveyed Latino businesses currently serve less than 25% of mixed populations.

These figures present many opportunities for business growth and development. The study reveals that many of the LOBs in the Yakima Valley only cater to a small portion of the other ethnic markets, including Caucasian and Asian populations although they have the capacity to meet the demands. One interviewee said “I am more comfortable doing business with my fellow Latinos because of the language barrier...but I’m trying to learn English”⁵⁴

Business Program Awareness

This section helps to gauge business awareness of local business development programs and services in the area as well as to assess program impact in business development, particularly with LOBs. Several questions were asked, such as:

⁵³ The Economic Impact of Latino Entrepreneurs in Richfield. www.HACER.org

⁵⁴ Interview, business owner

1. Are you aware of any economic development programs to assist your business (local, state or federal)?
2. Are there any particular programs (local, state or federal) that you have engaged in (i.e. tax credits for location in a distressed area, small business grant, etc.)? What do you think of these programs benefits?
3. Has anyone from the City or any other organization contacted you to assist you with accessing these types of programs?
4. Do you think there's a need for more business assistance programs in your community? If so, what kind of services should they provide that would help your business grow?
5. Are you currently satisfied with government services (i.e., local water, sewer, police, fire protection, parking, etc.)?

The results of the survey were as follows:

- 78 percent of the businesses surveyed are not aware of any economic development programs in their communities. Only 20 percent are aware of such programs. Two percent did not respond.
- Out of the 20 percent identified above, 67 percent have reported receiving some form of financial assistance and technical support, all have been engaged in basic business training programs (100 percent).
- 25 percent of the businesses who have been engaged in business assistance programs find it very helpful and beneficial to their business growth, while 15 percent have no intention of engaging in such programs. 11 percent find such program participation not helpful.
- 18 percent of the businesses surveyed reported being contacted by the city or other local organizations to access business development program. 82 percent have not received any such contact.
- The businesses surveyed reported receiving business related assistance from relatives/family (31 percent), a commercial bank (19 percent), state programs (3 percent), local business associations (2 percent), and others, including accountants (24 percent). 34 percent have indicated not receiving business assistance from anyone.
- 90 percent of the businesses think that more business programs should be available for small businesses in the community--programs such as loan assistance (53 percent), grants for small business development (24 percent), and basic training (58 percent).

- 66 percent of the businesses are satisfied with government services for local businesses in their communities. 34 percent believe that the government should do more to promote business growth and development in the community, including providing better parking spaces, police security, and tax breaks.

Community Linkages

This section examines business involvements in community activities, organizations and other events. This information is needed to profile the various roles of Latino businesses in the community. The survey results were as follows:

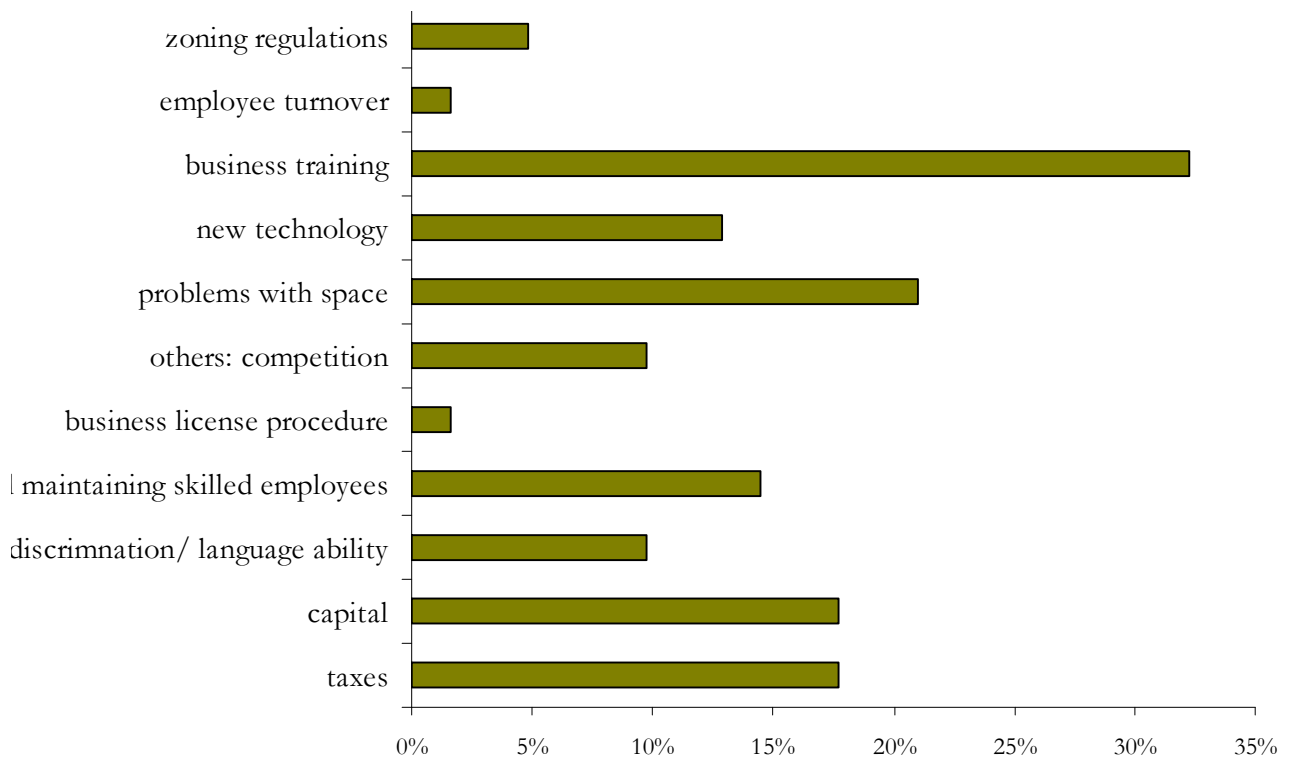
- 87 percent of the businesses surveyed are not a member of the local Chamber of Commerce, only 13 percent hold a membership in the organization.
- 11 percent of the business owners surveyed indicate previous membership in the Chamber of Commerce.
- Only 14 percent of the Chamber members take advantage of the services provided by the organization, while 87 percent have never used the services provided by the Chamber.
- 94 percent of the businesses surveyed do not have any local program memberships.
- 90 percent of those involved in any local organizations hold leadership positions.
- 73 percent of the businesses surveyed have participated in community events. The businesses participate in these events on various capacities: volunteers (61 percent), primary sponsor (11 percent), organizer and coordinator (3 percent), contributor (27 percent) and others (2 percent).
- Business participation in events varies by numbers: less than 5 events annually (74 percent), 6-10 events annually (18 percent) and more than 16 events annually (5 percent).

Business Climate and Trends

This section of the survey asks for issues and concerns that affect local Latino businesses in the area. The following categories were used: barriers to growth, types of business assistance, neighborhood perception and general business perception. This

information is needed to document the challenges of local businesses and evaluate the local business environment. The results of the survey are as follows:

A. Business Barriers. The businesses surveyed identified the following barriers to business growth, primarily the lack of business training, capital access, high local taxes, space problems, and attracting and maintaining skilled employees.



Top Three Barriers:

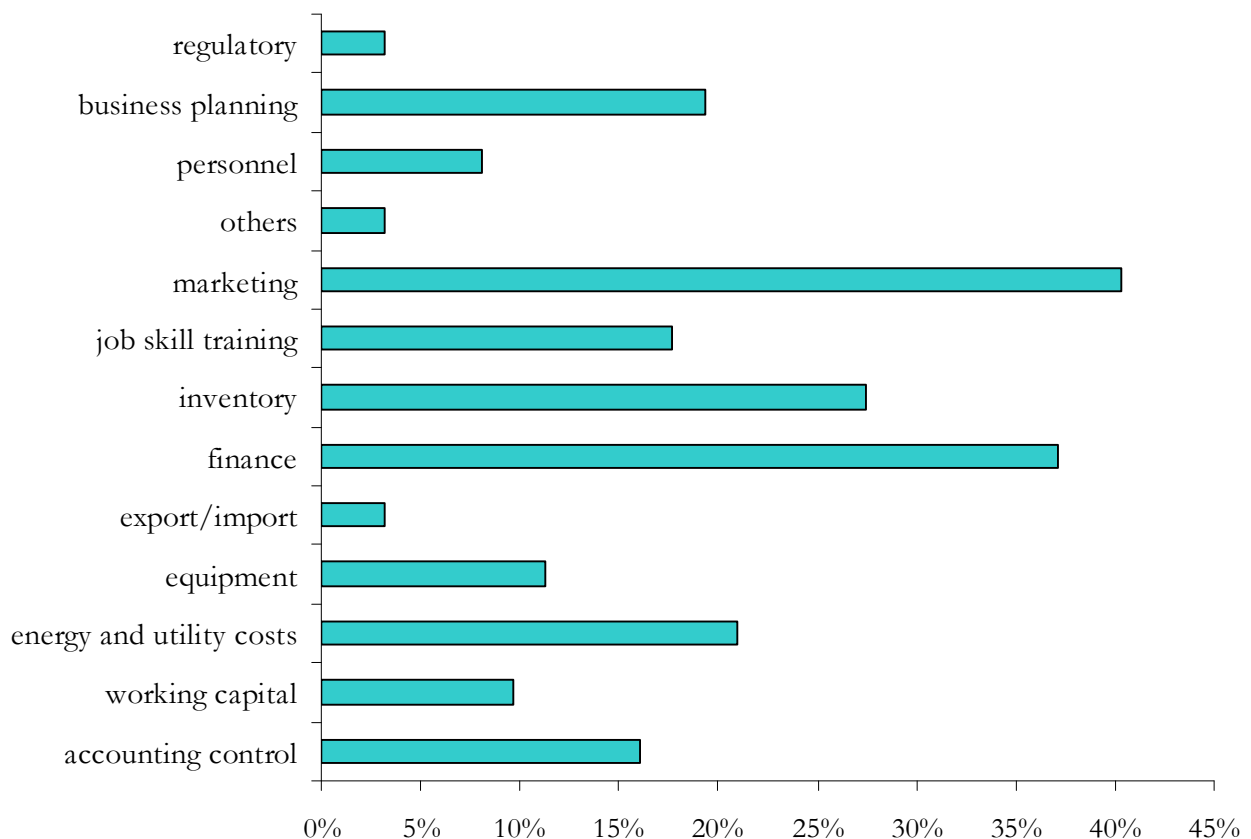
- **Business Training.** A recent survey (2005) of local businesses in Toppenish conducted by the UW-YVCP supports the need for more business trainings for local business owners and entrepreneurs.⁵⁵ The study found that business owners, while capable of running their own businesses still need more knowledge “of a different sort” to meet their own need and their community. These training programs should provide new

⁵⁵ For more information, please refer to the Case Study in Community-University Partnerships, published by the UW-YVCP in April 2005.

opportunities for Latino businesses through increased business network and community collaboration.

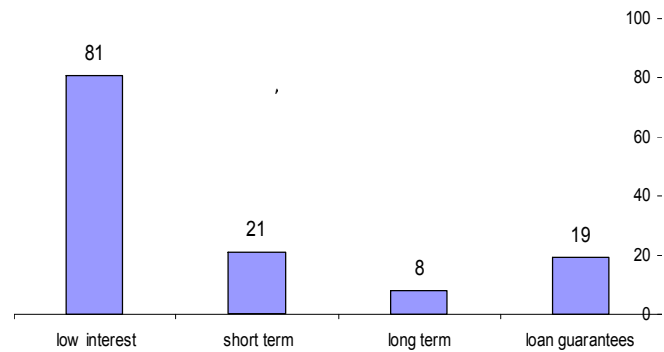
- **Space Problems.** Several of the businesses surveyed (21%) reported that space is very limited, particularly the parking space for customers.
- **Capital Access.** The majority of the interviewees for the study have emphasized the importance of capital access for minority and Latino businesses. They believe that Latino businesses in the valley are critical to the economy and in order to sustain the unprecedented growth of LOBs, Latino businesses must have access to growth capital and technology that can fuel their development.

B. Business Assistance. The businesses surveyed identified the following factors as potential areas where they could use some assistance:



C. Expansion, Financing and Type of Financial Assistance. Seventy four percent of the businesses surveyed are planning to expand their businesses, and 48 percent anticipate problems in financing their business expansion. In addition, the businesses identified the following type of financial assistance as necessary sources of business financing: low-interest loans (81 percent), short term loans (21 percent), loan guarantees (19 percent) and long-term loans (8 percent). (Chart 4).

Chart 4. Types of Financial Assistance



In terms of financial assistance or loans, the majority of businesses surveyed prefer to go to commercial banks (47 percent), family and relatives (37 percent), local business associations (2 percent) and other programs (13 percent).

D. Business Neighborhood Perception. Ninety two percent of the businesses surveyed think that their neighborhood is a positive place for Latinos to do business.

Category	Response Rate
Very Positive	65%
Somewhat Positive	27%
Somewhat Negative	3%
Very Negative	3%
Not Sure	2%

E. The Yakima Valley Perception. Eighty two percent of the businesses surveyed think that the Yakima Valley is a positive place for Latino to do business.

Category	Response Rate
Very Positive	58%
Somewhat Positive	34%
Somewhat Negative	5%
Very Negative	2%
Not Sure	5%

Despite the positive perceptions by Latino businesses about doing business in their neighborhood and the Yakima Valley, many Latino entrepreneurs still find it very hard to compete and grow their businesses in the area. The examination of the general characteristics of LOBs in the Yakima Valley reveals interesting information about Latino entrepreneurs, in general. The study shows that Latino business owners are well aware of their market conditions as well as the challenges they face in their community. While many of the businesses feel the need for more economic development programs they, however, tend to be timid in asking for any business assistance. LOBs in the Yakima Valley also have a very low membership rate in local business organizations such as the Chamber-of-Commerce. Several of the businesses interviewed said that they're not familiar with the Chamber of Commerce.”⁵⁶ There also seem to be a pattern of resistance among LOBs to participate in those programs and organizations. Many of the businesses surveyed indicated low membership in any local business organizations because they “don’t find the program very helpful.”⁵⁷ Suffice it to say that many of the current programs available are not what LOBs actually need or that access to some of the programs is restrictive that requires membership. For instance, the local Hispanic Chamber of Commerce in Yakima plays an

⁵⁶ Excerpt from business interview

⁵⁷ Excerpt from business interview

important role in promoting business growth and development of LOBs in the area.

However, according to one Chamber member “getting the businesses to participate is a huge challenge, the organization have good programs for businesses like financial assistance and basic business training. Unfortunately, it’s only available for Chamber members.”⁵⁸

Currently, there are only few programs in the Yakima Valley that provide support and assistance to LOBs.

⁵⁸ Interview, Chamber-of-Commerce member

CHAPTER 5: ECONOMIC IMPACT STUDY

This economic impact study uses data from the U.S. Census Bureau and the business survey conducted in March-May of 2006. Information not covered by the business survey was supplemented by the Census Bureau data, which provides a more fully comprehensive interpretation of statistical data. The U.S. Census Bureau through its Economic Census Program, a comprehensive business survey which the Census Bureau is required to conduct every 5 years provides useful information about the economic activities of various businesses and industries, both national and local levels. The economic census provides periodic estimates on operating expenses for various industries as well as detailed characteristics of firms, including its annual sales and receipts, employees and annual payroll. The Census Bureau combines data from these surveys with data from the other economic censuses and presents them in the Surveys of Minority- and Women-Owned Business Enterprises SMOBE/SWOBE Company Statistics Series.⁵⁹ According to the 2002 Economic Census by the U.S. Census Bureau, Latino businesses in the Yakima Valley generate approximately \$134 million in business sales and receipts (up by 43 percent from 1997 census) and contribute at least \$14.5 million in annual payroll (up by 75 percent from 1997 census). Since 1997, the numbers of Latino firms have also increased by 18 percent.

⁵⁹ Also look at Business expense Survey published by the U.S. Census Bureau. Data provides periodic national estimates on operating expenses for merchant wholesale, retail trade, and selected service industries.

Moreover, a smaller economic survey was conducted to estimate the economic impact of LOBs in selected local communities in the valley, particularly the cities of Yakima, Toppenish and Sunnyside. Below is an in-depth analysis of the quantitative and qualitative economic contributions of LOBs in the selected communities. This section is divided into two parts: quantitative benefit analysis and qualitative impact assessment.

Quantitative Benefits Analysis

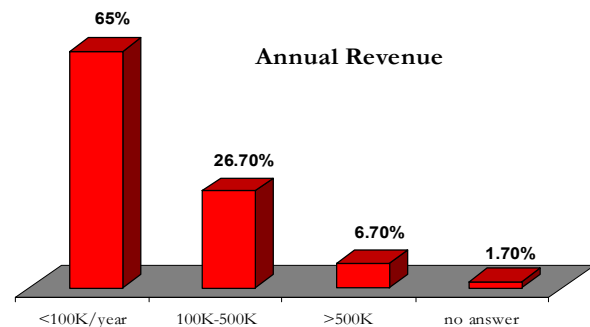
This section highlights some useful information about LOBs financial contributions to the local economy. In order to maintain anonymity of respondents the information is presented in overall totals for all businesses. This section is divided into three parts: revenues, expenditures and expenditure estimates. The following categories were used for expenditures estimates: rent and utilities, supplies and equipment, payroll, sales tax, and local advertising.

Part 1: Annual Revenues

The majority of the businesses surveyed (65 percent) are small businesses with annual revenues less than \$100,000. Twenty seven percent reported revenue earnings between \$100,000 and \$500,000 a year, while 7 percent reported annual revenue earnings of more than \$500,000.

Table 16. Annual Revenue

Category	<i>Response Rate</i>
<100,000/yr	65%
100K-500K	27%
>500K	7%

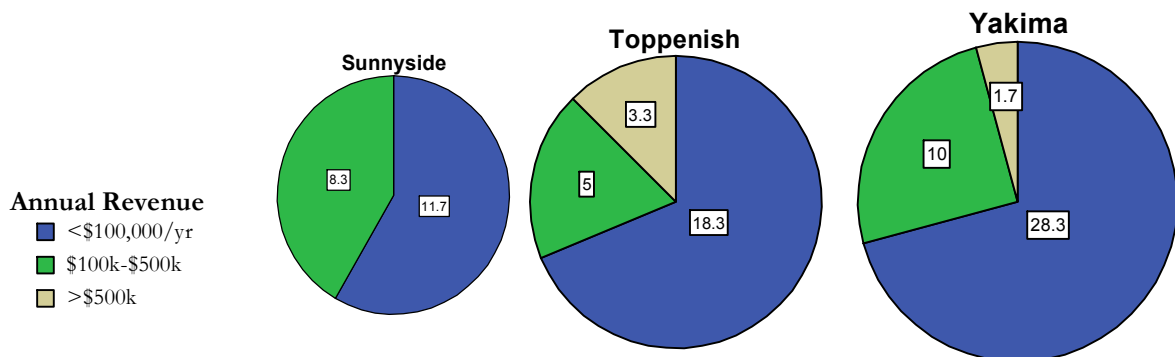


In terms of revenue earnings by industry, three sectors reported earning less than \$100,000 a year. This includes Retail (30 percent), Professional Service (28 percent) and Restaurant (17 percent). Two percent of the businesses in the Professional Service sector reported revenue earnings of more than \$500,000 a year in revenue. (See Table 17. Annual Revenue by Business Sector) Furthermore, annual revenues are also compared between the different locations (see Chart 6 below). Three of the businesses surveyed in the city of Toppenish reported earning more than \$500,000 a year in revenue, while only 2 percent in Yakima. The majority of businesses surveyed in Yakima (28 percent), Toppenish (18 percent) and Sunnyside (12 percent) reported earning less than \$100,000 a year, respectively. In addition, businesses surveyed in Sunnyside (8 percent), Toppenish (5 percent) and Yakima (10 percent) reported earning \$100,000 to \$500,000 a year in revenue.

Table 17. Annual Revenues by Business Sector

Annual Revenue	Business Sector					
		Manufacturing	Professional	Retail	Restaurant	Others
<\$100K	Total Response	0	13	14	8	3
	% of Total	0.00%	27.70%	29.80%	17.00%	6.40%
\$100k-\$500k	Total Response	1	1	1	0	1
	% of Total	2.10%	2.10%	2.10%	0.00%	2.10%
>\$500k	Total Response	0	1	0	0	0
	% of Total	0.00%	2.10%	0.00%	0.00%	0.00%
Total	Total Response	1	15	17	10	4
	% of Total	2.10%	31.90%	36.20%	21.30%	8.50%

Figure 3. Annual Revenues by Location

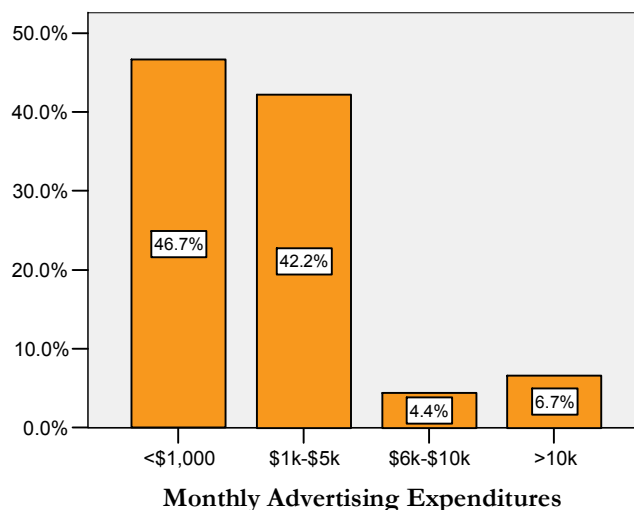


Further statistical analysis indicates a strong correlation between annual revenue earnings and business demographics at ($r=664$).⁶⁰ This number is important because it explains that such demographic factors such as business location, type of business and clients have a direct positive relationship with business earnings. This information is particularly important for new and experienced entrepreneurs in making future business decisions whether to start or expand their business ventures.

Part 2: Summary of Business Expenditures

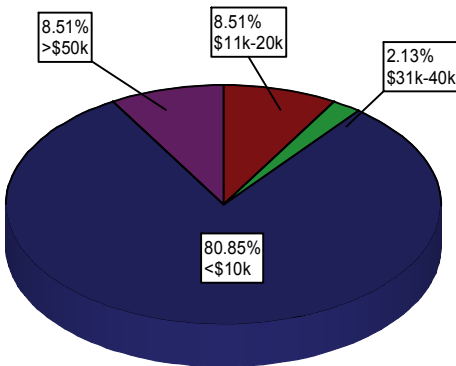
Local Advertising

LOBs in the Yakima Valley spend very minimal amount in local advertising. 47 percent (see right Diagram) of the businesses spend less than a thousand dollars in advertising per month. High cost of advertising is cited by several of the interviewees for not pursuing this business opportunity. Moreover, many of the businesses believe that “word of mouth” is more effective and cheaper alternative to expensive advertising.” This is quite surprising, given that a large number of firms (32%) have only been in business for less than five years, a period of time in which they could have used more extensive business advertising and promotion.



⁶⁰ Correlation is significant at the 0.01 level (2-tailed) Dependent variable: Annual Revenue; Predictors: business location, number of business location, number of employees, business hours, client, sector and legal structure,

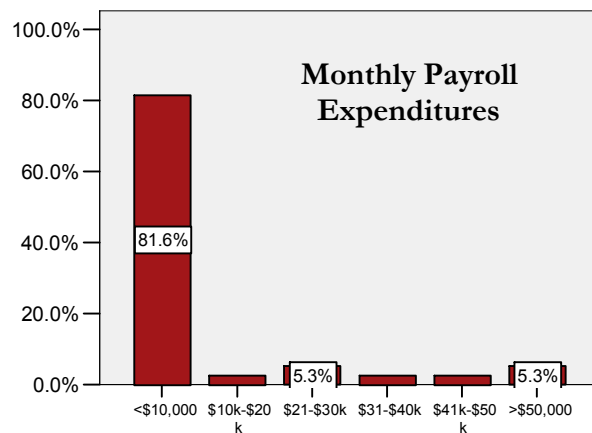
Supplies and Equipment Expenditures.



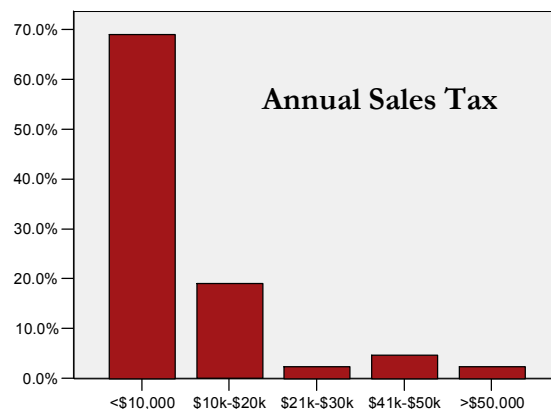
Supplies and Equipment rank second in total expenditures for LOBs next only to payroll. 81 percent of the businesses surveyed spend less than \$10,000 annually in supplies and equipment, while 9 percent spend more than \$50,000 annually.

Monthly Payroll Expenditures

Payroll expenditures make up 72 percent of the total expenditures of LOBs in the Yakima Valley. Eighty two percent of the businesses surveyed spend less than \$10,000 in payroll per month, while 5 percent spend more than \$50,000.



Sales Tax Expenditures. LOBs in the Yakima Valley also contribute to the local economy through their sales taxes. Seventy percent of the businesses surveyed reported paying less than \$10,000 annually in sales tax. Another 20 percent reported contributing \$10,000 to \$20,000 in annual sales tax to the local economy.



Part 3: Estimating the Effects of Business Expenditures

In order to understand what the quantitative economic impact of LOBs in the Yakima Valley has been, special attention was paid to the annual expenditures of each business. The actual amount of spending by LOBs to other businesses within the local economy represents a portion of the total economic activity resulting from this spending. Calculating the annual expenditures of all the businesses is the easiest way to evaluate the impact of the businesses on the economy. The businesses surveyed reported the following annual total expenditures:

Table 18. Aggregate Expenditures of the Businesses Surveyed

Category	<i>Annual Expenditures</i>
Advertising	\$ 266,250.00
Rents and Utilities	\$ 746,500.00
Supplies and Equipment	\$ 772,050.00
Payroll	\$ 6,144,944.00
Sales Tax	\$ 588,560.00
Total Expenditures	\$ 8,518,304.00

The data above shows estimated annual expenditures for the businesses surveyed. In aggregate, the businesses generate approximately \$8.5 million in local expenditures (not all businesses reported dollar figures). This is a conservative estimate, in that it does not take into account payroll taxes, and property taxes, which the businesses did not report. Another factor that is considered by many economists to estimate economic impact is the “multiplier effect (ME)”. When businesses spend money on rent and utilities, supplies and equipment, wages and publicity, this money becomes income for others in the economy who then increases their spending. For instance, LOBs purchase supplies and equipments from local businesses. In turn, these businesses and their employees purchase goods and services from

other businesses thereby creating a chain reaction. These purchases of goods and services between firms occur between different sectors, such as agriculture, transportation and manufacturing. Therefore, an increase in LOB expenditures is likely to impact related sectors thus generating additional economic activity within the local economy. Using a multiplier of 1.55 (generally considered conservative) on rent and utilities, supplies and equipment, payroll, and publicity, the total economic impact of the surveyed businesses is over \$13.2 million annually. A less conservative multiplier of 2 yields an economic impact of over \$17 million annually. These estimates are conservative in that they do not include payroll taxes or property taxes, which the businesses did not report.

The Qualitative Impact of LOBs in the Yakima Valley

The quantified benefits only show portions of the economic impact of LOBs and entrepreneurs in the Yakima Valley; one should also consider the other impacts that are described in qualitative terms. These qualitative impacts affect both the Latino community in particular and the community. LOBs and entrepreneurs in the Yakima Valley help improve the economy through a number of direct and positive influences, including improving economic mobility, providing unique goods and services, improving neighborhood cohesion, attracting customers from other surrounding cities, acting as role models and leaders, and providing employment opportunities. These factors affect not only the Latino community but also the economy in general. Below is a review of the different qualitative factors gathered from the interviews and surveys.

Economic Mobility

The business owners interviewed indicated that their business helped improve their economic mobility. In a 2000 study by the Small Business Administration on Hispanic

earnings reported that national average income of employed Latinos is \$15,560, while the average earnings of self-employed Latinos is \$20,709, representing a 33% increase. Several of the owners interviewed reported that they like being their own boss and that they were able to earn more than they would otherwise. They warned, however, that higher earnings were only possible once the business was well established and if one continued to invest significant amounts of time and effort. When asked why they opened a business, one business owner in Yakima said, "... because it's a challenge... and it's also about looking to earn more."⁶¹ Thus, entrepreneurship appears to bring the same upward economic mobility to Latino business owners in the Yakima Valley that is demonstrated in national trends.

Provide Unique Goods and Services

Another positive factor that emerged from the interviews is that LOBs in the Yakima Valley provide products and services needed by Latinos that would otherwise not be available. One business owner explained, "Latinos didn't have a place to buy their products and I feel that we are offering a service that is needed in the community."⁶² This remark and other similar statements by business owners show the defining quality of the Latino entrepreneurs that they are able to see what needs are not being satisfied by other agents in the market and they find a way to meet those needs. In providing these unique businesses, entrepreneurs also create new opportunities in the market. They take risks that others will not take. In doing so, they improve market efficiency.⁶³

Job creation and Employee Training

Small businesses provide employment opportunities to the community. However, the degree to which small businesses create all new jobs is questionable. Some economists,

⁶¹ Interview, business owner

⁶² Interview, business owner

⁶³ www.HACER.org

particularly David Birch (1979) have attempted to prove that the majority of the new jobs created each year in the United States are created by small businesses. Some qualitative studies in the past few decades have supported this idea, while others have tried to negate Birch's claim. Others have claimed that immigrant entrepreneurs in particular are able to provide jobs to other immigrants who might otherwise be unemployed (Muller, 131). As no consensus has yet been reached, this study did not attempt to take one side or the other; neither does it aim to generalize about national trends. Instead, business owners were simply asked how many people they employ. Eighty percent of the businesses surveyed in the Yakima Valley employ fewer than five employees and they spend \$6 million annually on payroll. One of the business owners said that "my goal more than anything is just to keep [my business] as a job resource for my people..."⁶⁴

Interviews with several business owners also indicate participation by them and their employees in business training programs. This training has the potential to improve the economic mobility of employees, giving them the opportunity to earn higher wages or work in more competitive fields. One local business owner said that "training is a good way to help our employees build their skills...and it's good for our business too"⁶⁵

Neighborhood Cohesion

Another positive qualitative factor that emerged in the interviews with local business owners was the improvement of neighborhood cohesion. Several business interviewees reported that "small businesses in their area help improve the cohesion of their communities by providing a place where residents interact."⁶⁶ Also, these businesses help to reduce consumer expenditure leakage to other areas. Businesses in the Yakima Valley attract

⁶⁴ Excerpt from personal interviews, business owner. March 18, 2006

⁶⁵ Interview, business owner

⁶⁶ Interview, business owner

customers from other cities in the region. Business owners in Yakima and Toppenish reported customers from Seattle, Portland, Spokane, Ellensburg as well as international tourists.

Community Leaders and Role Models

Furthermore, local Latino entrepreneurs serve as both leaders in their community and as role models for other potential entrepreneurs and community leaders. What is interesting, however, is that the survey shows that participation of Latino entrepreneurs in formal business organizations is limited. When asked of their involvement in organizations, one interviewee said “I don’t get any benefits from [joining] the organization...but I help out in my community by organizing community events”⁶⁷ The hope is that entrepreneurship will encourage more civic engagement by Latino immigrants so that their voices will be heard more.

⁶⁷ Interview, business owner

CHAPTER 6: OPPORTUNITIES FOR GROWTH

The preceding chapters provide a detailed examination of LOBs contributions in the Yakima Valley, as well as an assessment of the various issues that affect growth potential for local Latino businesses and entrepreneurs. Following the discussions of the various quantitative and qualitative impacts of LOBs in the Yakima Valley is a detailed analysis of the various growth opportunities for LOBs. The following growth opportunities identified by this study, include:

Opportunity 1: Increase in Population and Buying Power

An increased economic impact of LOBs can be expected in the future, given the growth rate of the Latino population in Yakima County and the State, in general. Recent report by the Census Bureau shows that Hispanic population in the Yakima Valley is increasing at a rapid rate with most cities is now over 70 percent Latino. Latino businesses in the Yakima Valley have one distinct comparative advantage over other businesses, which is easier access to the Latino population. This access to Latino customers is particularly important because of the current growth rate of Latino buying power. Nationally, Latino buying power is growing at 8.8%, compared to a non-Latino growth rate of 4.9%.⁶⁸ This year's Hispanic market report released by the Larson Northwest Consulting reported that the buying power of Latinos in the Yakima/Tricities area is estimated at \$2.3 billion compared

⁶⁸ Economic Census, Census Bureau 2000

to \$1.5 billion in 2000, representing a five-year growth rate of 53 percent. This figure does not include migrant populations. (Larson Northwest, 4)

Opportunity 2: High Reinvestment

The majority of business owners interviewed reported that they reinvest most of their profits back into their businesses. This points to growth potential for the businesses, most of which are new (less than five years old), and whose owners felt that revenues would rise as their businesses became more established. In addition to the willingness to reinvest a high percentage of profits, business owners exhibited a general optimism and dedication to making their business succeed. One business owner said, “I think we have a real desire to work hard, and that comes first... this country gives you so many opportunities and we have to take advantage of them.”⁶⁹

Opportunity 3: Business Development Policy and Legislation

The Washington State Commission on Hispanic Affairs supports the development of Hispanic businesses in the state and is highly involved in small business development. The Commission also supports legislation and recommends initiatives to state legislators that promote the interests of Latino businesses. Examples of recent legislative bills lobbied by the commission for legislative consideration and sponsorship include:

- HB 1091—provides additional funding for the Community Economic Revitalization Board’s program,
- SB 1594—directs the state investment board to invest in start-up and expanding businesses within the state of Washington,

⁶⁹ Interview, business owner

- SB 5325—promotes economic development and community revitalization., and
- SB 5330—creates the economic development grants program.

Several of the businesses interviewed also reported that there's a lack of business assistance programs in their communities.⁷⁰ A prime factor in Latino business ownership is the availability of capital. It is theorized that the relative financial ease with which one may enter the service sector is the reason that so many LOBs are present there. The general reluctance to apply for credit, may very well be the reason that so few LOBs are in the manufacturing, wholesale trade and finance sectors – all of which are large-scale operations requiring hefty capital investments. In order to encourage Latino participation in large-scale businesses, financial institutions must be brought to understand the needs of the Latino business-owners. Previous economic studies on Latino business development have shown that having Latino credit-institutions or Latino bank trustees would help to break 'good old boy' social networks that tend to shy away from business with the Latino population.⁷¹

In September 2005, The Milken Institute and the Minority Business Development Agency of the Department of Commerce published a study on the implications of entrepreneurial finance for minority businesses. Their findings, documented in a study titled “The Minority Business Challenge: Democratizing Capital for Emerging Domestic Markets,” reported that economic growth cannot be sustained without the inclusion of minority businesses and an infusion of capital into those businesses. The absent of broad-based institutional investor participation in minority and immigrant business communities, affects not just minority businesses but the whole economy. In the Yakima Valley, the ever-growing LOBs are one of the primary engines driving the growth of the local and state economy. Empowering LOBs by increasing their access to growth capital, ensuring that Latino

⁷⁰ Interview, business owner

⁷¹ Small Business Administration at <http://www.sba.gov/>

businesses have access to technology and opening new and productive markets are integral to maintaining a healthy and viable economy. Of these, however, there is no more important goal than increasing financing opportunities for LOBs—business that make up the economic infrastructure in many of the valley’s business communities and are key employers.

Lastly, it is important for the state’s Latinos to be encouraged in the arena of business. From an early age, Latinos should be made to understand that business ownership can be a reality and that financial assistance is readily available. The Commission plays a big role in ensuring that these things will materialize but only with the active support and participation of Latino businesses.

Opportunity 4: Informal Economy

The Yakima Herald Republic recently published an article about the role of illegal immigrants in the local economy. The report claims that illegal immigrants are part of the increasing buying power of the Hispanic population in Washington State as illustrated by the increasing spending by Latinos in Washington State from \$2 billion in 1990 to \$9.5 billion in 2005. The Selig Center for Economic Growth at the University of Georgia projects that the figure could reach up to \$15 billion by 2010. “Despite their illegal status, immigrants have also been buying homes using alternative methods of financing. They typically fix the homes up, increasing their value and the area where the homes are located.”⁷²

A growing number of informal economic activities are becoming more apparent in the area. Several of the interviewees said that “informal economic activities provides income and employment to immigrants both legal and illegal...the money they earn is either spent

⁷² Hoang, M. (2006). Fox in Yakima--Illegal immigrants vital to Valley's economy. Yakima Herald Republic.

back to the community or sent to families in Mexico”⁷³. Certainly, this informal business contributes immensely to the local economy but as to what degree of economic impact is still unclear given the lack of information about their income and spending. Practitioners believe that many of these entrepreneurs are hampered in their efforts to build strong businesses by a lack of capital, technical assistance, training, networks and other resources commonly available to other businesses. The estimates of the size of this informal economy vary widely, but the impression that all these estimates convey is that the informal component of the local economy is surprisingly large and possibly growing.⁷⁴

More than anything, one comes away from meeting these informal, rural entrepreneurs impressed by their willingness to work hard, by their commitment to their families and communities, and by their general acceptance of the rules of the game. These are individuals who generally pay taxes and abide by the larger economic regulations that affect their lives, but who find themselves operating on the margins in small ways in order to make ends meet. These are also individuals, mostly migrant populations, who demonstrate entrepreneurial skills but do not have the financial means or capital to start a formal business. This study recognizes the contributions of these entrepreneurs in the local community.

Opportunity 5: Women-Owned Businesses (WOB)

There’s a growing recognition that minority businesses or ethnic enterprises is constantly evolving. However, little or few of the present studies recognize the role of

⁷³ Interview, business owner

⁷⁴ Edgcomb, E. and Thetford, T. (2004). *The Informal Economy: Making it in Rural America*. The Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination

women-owned businesses (WOBs). A study on entrepreneurship conducted at the University of Texas at Austin shows that much of the growth in this sector is fueled by the growing number of WOBs. Accordingly, the increase in business growth was estimated at 103 percent during the period 1987-1999, and surprisingly enough, Latina-owned business accounted for a large share of this increase.⁷⁵

Opportunity 6: Trade and Export Business

Several of the businesses interviewed said that they are involved in the export/import business. According to one entrepreneur, there is a growing “demand for authentic Mexican products and specialty goods.”⁷⁶ These specialty products are directly imported from Mexico or other South American countries. Several of the businesses interviewed reported that they also export their products to Mexico. Existing Latino businesses in the Yakima Valley that target Latino populations have a monopoly on certain products and services. When asked about the prospect of export/import in the Yakima Valley, one business owner said “I think there is a potential in export business... but we need the government’s help to promote our business and products.”⁷⁷ The recent visit of President Vicente Fox of Mexico in the Yakima Valley is seen by many as an opportunity to strengthen economic and business ties between the State of Washington and Mexico.

⁷⁵ Texas Business Review. (2004). “*Emergent Entrepreneurs: Latina-owned Businesses in the Borderlands*” <http://utopia.utexas.edu/articles/tbr/borderlands.html>

⁷⁶ Interview, business owner

⁷⁷ Interview, business owner

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

In conclusion, LOBs in the Yakima Valley currently has a positive impact on the economy generating \$134 million in business sales and receipts, and contributing at least \$14.5 million in annual payroll. A smaller study of selected businesses in Yakima, Toppenish and Sunnyside reveals an annual impact of at least \$13.2 million as well as numerous qualitative benefits that include:

- a. Improving economic mobility,
- b. Providing unique goods and services,
- c. Providing employment opportunities
- d. Improving neighborhood cohesion,
- e. Acting as role models and leaders, and

These impacts affect not just the Latino community in the Yakima Valley but the economy as a whole. In addition, an increased economic impact can be expected in the future, given the (a) growth rate of the Latino population in the Yakima Valley and the entire state, the (b) growth rate of Latino buying power, the (c) businesses' high rate of reinvestment, (d) growth of informal markets (e) government policy intervention and the (f) potential for increased export and import business opportunities.

The future of Latino business participation faces a myriad of problems. It is important for LOBs to gain a greater foothold in industries other than the retail and service sectors, which tend to bring in higher revenue per-worker. In order to do so, capital must be

made more accessible and available to LOBs so that they can expand, and also to those individuals who wish to start their own businesses. Moreover, the persistent challenges faced by LOBs in growing their business should be a concern not only to the government but also business leaders and all citizens in the community. The various business challenges faced by Latino entrepreneurs include lack of capital access, social networks, business outreach and communication. Below, is a list of recommended actions for intervention to promote further growth and development of Latino businesses in the Yakima Valley.

A. Capital Access. The research confirms the need for programs that would help business owners and entrepreneurs to access needed capital for business development. The desire for bilingual and/or Spanish language capability is also important when service providers wish to do business with this community. Recognizing this need may motivate more service providers to partner together to provide this capability. Several other recommended actions to promote LOBs access to capital, include:

1. Increase financial institutions' awareness of Latino business-owner needs.
2. Increase awareness in the Latino community of available government assistance.
3. Programs should be developed to partner Latino business-owners and prospective Latino business-owners with other sources of private funding.

Likewise, Latino entrepreneurs should have more engagement with experienced and capable business owners who will serve as mentors to help move these entrepreneurs to the next stage of development. This may include one-on-one mentoring, peer groups, or development stage-based group mentoring.

B. Business Development and Early Outreach. Personal interviews with local Latino businesses and various Latino community leaders demonstrate the need for new approaches and better strategies in promoting Latino businesses and entrepreneurs. Such new approaches and strategies should aim to help increase the level of participation of Latinos and Latino entrepreneurs in community and business development as well as to help improve their economic mobility. Some recommended actions for business development and early outreach are:

4. Develop partnership programs between Latino college students with corporate sponsors or mentors that will expose the students to the business world. Such programs will empower Latino youth and hopefully inspire them towards becoming business-owners.
5. Microenterprise programs should be made available to offer direct services to individual entrepreneurs who are willing to grow their business. Microenterprise programs could be an important business tool especially if the services are adapted to the specific needs, time and place constraints of the individual entrepreneurs. This also includes working at policy levels to help interested policymakers and government officials build and fully fund structures and incentives that will enhance the process of formalizing the informal businesses in the community.

C. Social Networks. The study reveals that many of the businesses surveyed in the Yakima Valley currently do not hold memberships to any local business organizations, including the Chamber-of-Commerce. This lack of social networking limits the opportunities available to

Latino businesses for business development. As such, the recommended actions to increase social networks include:

6. Incentive programs should be developed for businesses that have or are striving towards achieving diverse corporate boards. Hopefully, this will encourage business organizations to increase their number of minority memberships, particularly Latino business owners.
7. Encourage international trade. Linguistic and cultural similarities should be recognized as comparative market advantages and should be fully utilized in trade with Mexico and other South American countries. LOBs will, in many cases, have an edge when conducting business in this region. Support existing trade programs in the State.

Finally, local business organizations must make an effort to reach Latino youth and encourage them to become business owners so that the future of the valley's economy can be secured. Moreover, the general participation and involvement of LOBs in formal business organizations must be increased to strengthen their voices. Several of the interviewees considered the current state of relationships and communication between businesses and community leaders a barrier to growth. One community leader said, "There's a potential, but you need to build relationships and work together."⁷⁸

The respondents in this study are also aware of subtle, pervasive discrimination and prejudice against Latinos and acceptance of this awareness on the part of service providers may lead to a deeper appreciation for the additional challenges and barriers that minority entrepreneurs must overcome to be successful. Informants felt that this obstacle could be overcome. Everyone expressed interest in building relationships with one another to create

⁷⁸ Interview with Uriel Iniquez, Executive Director—Washington State Commission on Hispanic Affairs, April 2006

more opportunities for economic growth and Latino business development. A final important consideration is to understand the different types and sizes of Latino businesses. Solutions, methods and role of facilitating in business development should reflect these differences.

APPENDICES

Appendix 1: Intermediary Interview Protocol

INTERVIEW PROTOCOL

Interview Protocols for Intermediary and Business Owners

Date of interview:

Name of respondent:

Agency:

Position:

Intermediary Interview Questions

Questions:

1. Please describe your organization and its function?
2. What is your level of involvement with the Latino business community in this area?
Do you think Latino businesses are taking advantage of your program and services?
How do you promote your program to Latino businesses?
3. How would you characterize the business climate in the Yakima Valley for Latino businesses?
4. Is local government supportive of Latino businesses? What action or local economic development efforts has local government taken to support Latino businesses?
5. What organizations have historically promoted and advanced Latino business development in this area? What organizations are currently supporting business development activities for Latino businesses? What programs are presently available for Latino businesses in this area?
6. What would you say are the top five barriers that serve to restrain business growth in this area? Would you say that these barriers are different for other districts? If yes, how so? What programs or services do you think are needed to promote and strengthen Latino business growth and development in this area?
7. What is your vision for the future of the Latino business community in this area?
8. What is your vision for the future of your organization and its involvement with the Latino business community?
9. What would you like out of the businesses in the neighborhood - more varied services, stronger employment opportunities, etc.?

Appendix 2: Survey Questionnaire

Survey Questions

All Information submitted will be kept strictly confidential

Part A. GENERAL BUSINESS DATA	
1a. Business Name	(please indicate name):
2a. Business Location	<input type="checkbox"/> Sunnyside <input type="checkbox"/> Toppenish <input type="checkbox"/> Yakima <input type="checkbox"/> Multiple locations (if more than one business location)
2b. How many locations are there for your business?	(please indicate total number):
2c. Business Type (Legal Structure)	<input type="checkbox"/> Corporation <input type="checkbox"/> Franchise <input type="checkbox"/> LLC (Limited Liability Corporation) <input type="checkbox"/> Non-Profit <input type="checkbox"/> Partnerships <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Not sure
2d. Primary Business Activity	(Check all that apply): <input type="checkbox"/> Agriculture <input type="checkbox"/> Construction/Contractor <input type="checkbox"/> Export <input type="checkbox"/> Import <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional Services (accounting, insurance, etc.) <input type="checkbox"/> Retail <input type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Wholesale <input type="checkbox"/> Hi Technology <input type="checkbox"/> Other (please indicate): _____
3a. How many year(s) have you owned this business?	(please indicate total number of year(s)):
4a. How many day(s) is your business open?	<input type="checkbox"/> 7 days a week <input type="checkbox"/> 5 days a week (Monday to Friday) <input type="checkbox"/> 6 days a week (Monday to Saturday) <input type="checkbox"/> less than 5 days
4b. How many hours per day is your business open?	<input type="checkbox"/> 20-24 hours a day <input type="checkbox"/> 8-12 hours a day <input type="checkbox"/> 12-20 hours a day <input type="checkbox"/> less than 8 hours a day
CUSTOMER PROFILE	
5a. How would you describe your client?	<input type="checkbox"/> Latino/Hispanic

	<input type="checkbox"/> Asian <input type="checkbox"/> Caucasian <input type="checkbox"/> Mixed background
5b. What percentage of each ethnic background visits your business on a regular basis?	(percentage estimate of population, i.e. 30% Latino) <input type="checkbox"/> Latino/Hispanic: _____ <input type="checkbox"/> Asian: _____ <input type="checkbox"/> Caucasian: _____ <input type="checkbox"/> Mixed background: _____
Part B. FINANCIAL INFORMATION (REVENUES AND EXPENDITURES)	
1a. What's the annual business revenue/income, excluding taxes?	<input type="checkbox"/> Less than \$100,000/year <input type="checkbox"/> \$100,000 - \$500,000 <input type="checkbox"/> more than \$500,000/year <input type="checkbox"/> no answer
2a. How much do you spend in local advertising?	(please provide approximate amount):
3a. What's your average monthly utility bills (including electricity, water, garbage, etc.)?	(please provide approximate amount):
4a. How much is your annual expenditures for supplies and equipments?	(please provide approximate amount):
5a. Total number of employees, including owner and family members?	(please indicate total number of current employees):
6a. What is your total monthly payroll expenditures?	(please provide approximate amount):
7a. What is your total annual sales tax expenditures?	(please provide approximate amount):
Part C. BUSINESS PROGRAM AWARENESS	
1a. Are you aware of any economic development programs to assist your business (local, state or federal)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2a. Are there any particular programs (local, state or federal) that you have engaged in (i.e. tax credits for location in a distressed area, small business grant, etc.)?	(please indicate type of service or assistance received): <input type="checkbox"/> Financial Assistance (Grant for small business, loans) <input type="checkbox"/> Basic Training (management, business plan, etc.) <input type="checkbox"/> Technical support <input type="checkbox"/> Others: _____
2b. What do you think of these programs benefits?	<input type="checkbox"/> Very Helpful <input type="checkbox"/> Not Helpful <input type="checkbox"/> Never tried but I'm considering the idea <input type="checkbox"/> No intention of engaging to such programs
3a. Has anyone from the City or any other organization contacted you to assist you with accessing these types of programs?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a. Who/where do you go for business related assistance?	<input type="checkbox"/> Family and/or relatives <input type="checkbox"/> Commercial bank <input type="checkbox"/> State programs <input type="checkbox"/> Local business associations (i.e. Chamber)

	<input type="checkbox"/> None <input type="checkbox"/> Others (please indicate): _____
5a. Do you think there's a need for more business assistance programs in your community?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5b. If so, what kind of services should they provide that would help your business grow?	(Please indicate business service or program, i.e. loans, grants, training, etc.):
6a. Are you currently satisfied with government services (i.e., local water, sewer, police, fire protection, parking, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Part D. COMMUNITY LINKAGES	
1a. Are you a member of the local Chamber of Commerce?	<input type="checkbox"/> Yes <input type="checkbox"/> No
1b. If no, have you ever been a member?	<input type="checkbox"/> Yes <input type="checkbox"/> No
1c. If yes, have you ever used any of the services provided by the Chamber (i.e., revolving loan fund, business development center, façade improvement, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2a. Are you a member of any other local business organizations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3a. Do you hold any leadership positions in these organizations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3b. If yes, what leadership position(s)?	(please indicate leadership position(s)):
4a. Have you participated in any community events recently? Or in the past?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4b. In what capacity did you participate in the events?	<input type="checkbox"/> Primary sponsor <input type="checkbox"/> Event organizer and coordinator <input type="checkbox"/> Contributor (prizes, gifts, etc.) <input type="checkbox"/> Volunteer <input type="checkbox"/> Others (please indicate): _____
4c. How many community events do you participate in annually?	(please indicate approximate number of events):
Part E. BUSINESS CLIMATE AND TRENDS	
1a. What do you say are the top barriers for your business growth?	(Check all that apply): <input type="checkbox"/> Problems with space <input type="checkbox"/> Attracting and maintaining skilled employees

	<input type="checkbox"/> Employee turnover <input type="checkbox"/> New technology <input type="checkbox"/> Need business training <input type="checkbox"/> Local taxes <input type="checkbox"/> Business license procedure <input type="checkbox"/> Zoning regulations/building code regulations <input type="checkbox"/> Access to capital <input type="checkbox"/> Presence of discrimination/language ability <input type="checkbox"/> Others (please indicate): _____
2a. In what areas do you feel you could use assistance?	(Check all that apply): <input type="checkbox"/> Finance <input type="checkbox"/> Personnel <input type="checkbox"/> Energy costs and utility costs <input type="checkbox"/> Accounting Control <input type="checkbox"/> Working capital <input type="checkbox"/> Regulatory <input type="checkbox"/> Business planning <input type="checkbox"/> Inventory <input type="checkbox"/> Marketing <input type="checkbox"/> Export/Import <input type="checkbox"/> Equipment <input type="checkbox"/> Job skill training <input type="checkbox"/> Others (please indicate): _____
3a. Are you planning to expand your business?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3b. Do you anticipate problems in financing your needs?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3c. What kind of financial assistance could you use?	(Check all that apply): <input type="checkbox"/> Short term loans <input type="checkbox"/> Long term loans <input type="checkbox"/> Low-interest loans <input type="checkbox"/> Loan guarantees <input type="checkbox"/> Others (please indicate): _____
3d. Where do you go for business related financial assistance or loans?	(Check all that apply): <input type="checkbox"/> Money market <input type="checkbox"/> Family and/or relatives <input type="checkbox"/> Local business associations (i.e. Chamber) <input type="checkbox"/> Commercial Bank <input type="checkbox"/> Others (please indicate): _____

4a. What is your present opinion of your business neighborhood as a place to do business for Latino/Hispanic businesses?	<input type="checkbox"/> Very positive <input type="checkbox"/> Somewhat positive <input type="checkbox"/> Somewhat negative <input type="checkbox"/> Very negative <input type="checkbox"/> Not sure
4b. What is your present opinion of The Yakima Valley (in general) as a place to do business for Latino/Hispanic businesses?	<input type="checkbox"/> Very positive <input type="checkbox"/> Somewhat positive <input type="checkbox"/> Somewhat negative <input type="checkbox"/> Very negative <input type="checkbox"/> Not sure

Appendix 3: Data Dictionary

Data Dictionary

GENERAL BUSINESS DATA		
Categories	Item	Reference
1a	Business ID	B_ID
	English	1
	Spanish	2
2a	Business Location	B_Loc
	Sunnyside	1
	Toppenish	2
	Yakima	3
	Others	4
2b	Number of Bus. Loc.	B_Loc#
	1 to3	1
	4 to 6	2
	7 to 10	3
	more than 10	4
2c	Business Type	B_type
	Corporation	1
	Franchise	2
	LLC	3
	Nonprofit	4
	Partnerships	5
	Sole Proprietor	6
	not sure	7
2d	Primary Bus. Activity	B_Sector
	Agriculture	1
	Construction/Contractor	2
	Export	3
	Import	4
	Manufacturing	5
	Professional Services	6
	Retail	7
	Restaurant/Bar	8
	Wholesale	9
	Hi Technology	10
	Others	11
3a	No. of Years of Ownership	B_years
	1 to5	1

	6 to 10	2
	11 to 15	3
	>16 years	4
4a	Days Open	B_open
	7 days/ week	1
	5 days/week	2
	6 days/week	3
	less than 5 days	4
4b	Hours Open	B_hours
	20-24 hours/day	1
	8-12 hours/day	2
	12-20 hours/day	3
	less than 8 hours/day	4
CUSTOMER PROFILE		
5a	Client Description	CP_client
	Latino/Hispanic	1
	Asian	2
	Caucasian	3
	Mixed background	4
5b	Percentage of Client Ethnicity	CP_ethnic
	Latino/Hispanic	
	<25%	1
	25% to 50%	2
	50% to 75%	3
	75% to 100%	4
	Asian	
	<25%	1
	25% to 50%	2
	50% to 75%	3
	75% to 100%	4
	Caucasian	
	<25%	1
	25% to 50%	2
	50% to 75%	3
	75% to 100%	4
	Mixed background	
	<25%	1
	25% to 50%	2
	50% to 75%	3
	75% to 100%	4
FINANCIAL INFORMATION		

1a	Annual Business Revenue	FI_revenue
	less than \$50K	1
	\$50K -\$100K	2
	more than 100K	3
	no answer	4
2a	Advertising Expense (annual)	FI_ad
	less than 1000	1
	\$1100 - \$5000	2
	\$5100 - \$10,000	3
	more than \$10,000	4
3a	Monthly Utility Bills	FI_utility
	less than \$10,000	1
	\$10,000 to \$20,000	2
	\$21,000 to \$30,000	3
	\$31,000 to \$40,000	4
	\$41,000 to \$50,000	5
	more than \$50,000	6
4a	Supply Expenditures (annual)	FI_supply
	less than \$10,000	1
	\$10,000 to \$20,000	2
	\$21,000 to \$30,000	3
	\$31,000 to \$40,000	4
	\$41,000 to \$50,000	5
	more than \$50,000	6
5a	Total Employee	FI_employ
	1 to 5	1
	6 to 10	2
	11 to 15	3
	16 to 20	4
	more than 20	5
6a	Monthly Payroll	FI_payroll
	less than \$10,000	1
	\$10,000 to \$20,000	2
	\$21,000 to \$30,000	3
	\$31,000 to \$40,000	4
	\$41,000 to \$50,000	5
	more than \$50,000	6
7a	Annual Sales Tax	
	less than \$10,000	1
	\$10,000 to \$20,000	2
	\$21,000 to \$30,000	3

	\$31,000 to \$40,000	4
	\$41,000 to \$50,000	5
	more than \$50,000	6
BUSINESS PROGRAM AWARENESS		
1a	Economic Development	BP_econ
	Yes	0
	No	1
2a	Programs	BP-prog (1)
	Financial Assistance	
	Yes	0
	No	1
	Basic Training	BP-prog (2)
	Yes	0
	No	1
	Technical Support	BP-prog (3)
	Yes	0
	No	1
	Others	BP-prog (4)
	Yes	0
	No	1
2b	Program Benefits	BP-bene
	Very Helpful	1
	Not Helpful	2
	Never Tried	3
	No Intention	4
3a	Program Access	BP_access
	Yes	0
	No	1
4a	Where to go for assistance	BP_assist(1)
	family or relatives	
	Yes	0
	No	1
	commercial bank	BP_assist(2)
	Yes	0
	No	1
	state programs	BP_assist(3)
	Yes	0
	No	1
	local business associations	BP_assist(4)
	Yes	0
	No	1

	others	BP_assist
	Yes	0
	No	1
	none	BP_assist
	Yes	0
	No	1
5a	Need for more business programs	BP_pronceed
	Yes	0
	No	1
5b	What services	BP_service
	Loans	Y/N (0,1)
	Grants	Y/N (0,1)
	Training	Y/N (0,1)
	Others	Y/N (0,1)
6a	Government service satisfaction	BP_gover
	Yes	0
	No	1
COMMUNITY LINKAGES		
1a	Member of Chamber?	CA_chamber
	Yes	0
	No	1
1b	Have you been a member?	CA_member1
	Yes	0
	No	1
1c	Have you used their services?	CA_services
	Yes	0
	No	1
2a	Are you a member of other org	member_organization
	Yes	0
	No	1
3a	Hold leadership positions	leadership_post
	Yes	0
	No	1
3b	If yes, what position?	CA_position
4a	Community Event Participation	event_participation
	Yes	0
	No	1
4b	In what capacity?	capacity_*
	Primary sponsor	Y/N (0,1)
	Even organizer and coordinator	Y/N (0,1)

	Contributor	Y/N (0,1)
	Volunteers	Y/N (0,1)
	Others	Y/N (0,1)
4c	No. annual events participated	events_participated
	1 to5	1
	6 to 10	2
	11 to 15	3
	>16 years	4
BUSINESS CLIMATE AND TRENDS		
1a	Top Barriers	barriers_*
	problems with space	Y/N (0,1)
	attracting and maintaining employee	Y/N (0,1)
	employee turnover	Y/N (0,1)
	new technology	Y/N (0,1)
	need business training	Y/N (0,1)
	local taxes	Y/N (0,1)
	business license procedure	Y/N (0,1)
	zoning regulations	Y/N (0,1)
	access to capital	Y/N (0,1)
	presence of discrimination	Y/N (0,1)
	others	Y/N (0,1)
2a	In what areas needing assistance	need_*
	Finance	Y/N (0,1)
	Personnel	Y/N (0,1)
	Energy Cost	Y/N (0,1)
	Accounting Control	Y/N (0,1)
	Working Capital	Y/N (0,1)
	Regulatory	Y/N (0,1)
	Business planning	Y/N (0,1)
	Inventory	Y/N (0,1)
	Marketing	Y/N (0,1)
	Export/Import	Y/N (0,1)
	Equipment	Y/N (0,1)
	Job Skill	Y/N (0,1)
	Others	Y/N (0,1)
3a	Planning to expand?	expand
	Yes	0
	No	1
3b	Anticipate problems in financing?	financing_*
	Yes	0
	No	1

3c	What kind of financial assistance	financial_*
	short term loans	Y/N (0,1)
	long term loans	Y/N (0,1)
	low interest loans	Y/N (0,1)
	loan guarantees	Y/N (0,1)
	others	Y/N (0,1)
3d	Where do you go for assistance	assist_*
	money market	Y/N (0,1)
	family	Y/N (0,1)
	local business association	Y/N (0,1)
	commercial bank	Y/N (0,1)
	others	Y/N (0,1)
4a	Opinion on present neighborhood	opinion_neighbor
	Very positive	1
	Somewhat positive	2
	Somewhat negative	3
	Very negative	4
	Not sure	5
4b	Opinion of Yakima Valley	opinion_yakima
	Very positive	1
	Somewhat positive	2
	Somewhat negative	3
	Very negative	4
	Not sure	5

Appendix 4: Case Processing Summary

(In alphabetical order)

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
annual_advertising	45	72.6%	17	27.4%	62	100.0%
annual_expenditures	47	75.8%	15	24.2%	62	100.0%
annual_revenue	60	96.8%	2	3.2%	62	100.0%
annual_salestax	42	67.7%	20	32.3%	62	100.0%
assist_accounting	10	16.1%	52	83.9%	62	100.0%
assist_associatons	1	1.6%	61	98.4%	62	100.0%
assist_bank	12	19.4%	50	80.6%	62	100.0%
assist_capital	6	9.7%	56	90.3%	62	100.0%
assist_energy	13	21.0%	49	79.0%	62	100.0%
assist_equipment	7	11.3%	55	88.7%	62	100.0%
assist_export	2	3.2%	60	96.8%	62	100.0%
assist_family	20	32.3%	42	67.7%	62	100.0%
assist_finance	23	37.1%	39	62.9%	62	100.0%
assist_financial	9	14.5%	53	85.5%	62	100.0%
assist_invenotry	17	27.4%	45	72.6%	62	100.0%
assist_jobskill	11	17.7%	51	82.3%	62	100.0%
assist_marketing	25	40.3%	37	59.7%	62	100.0%
assist_none	21	33.9%	41	66.1%	62	100.0%
assist_other	2	3.2%	60	96.8%	62	100.0%
assist_other2	1	1.6%	61	98.4%	62	100.0%
assist_others	15	24.2%	47	75.8%	62	100.0%
assist_personnel	5	8.1%	57	91.9%	62	100.0%
assist_planning	12	19.4%	50	80.6%	62	100.0%
assist_regulatory	2	3.2%	60	96.8%	62	100.0%
assist_state	2	3.2%	60	96.8%	62	100.0%
assist_technical	3	4.8%	59	95.2%	62	100.0%
assist_training	4	6.5%	58	93.5%	62	100.0%
assistance_bank	29	46.8%	33	53.2%	62	100.0%
assistance_family	23	37.1%	39	62.9%	62	100.0%
assistance_local	1	1.6%	61	98.4%	62	100.0%
assistance_moneymart	0	.0%	62	100.0%	62	100.0%
assistance_other	8	12.9%	54	87.1%	62	100.0%
barrier_taxes	11	17.7%	51	82.3%	62	100.0%
barrier_capital	11	17.7%	51	82.3%	62	100.0%

barrier_discrimination	6	9.7%	56	90.3%	62	100.0%
barrier_employees	9	14.5%	53	85.5%	62	100.0%
barrier_license	1	1.6%	61	98.4%	62	100.0%
barrier_others	6	9.7%	56	90.3%	62	100.0%
barrier_space	13	21.0%	49	79.0%	62	100.0%
barrier_technology	8	12.9%	54	87.1%	62	100.0%
barrier_training	20	32.3%	42	67.7%	62	100.0%
barrier_turnover	1	1.6%	61	98.4%	62	100.0%
barrier_zoning	3	4.8%	59	95.2%	62	100.0%
been_member	52	83.9%	10	16.1%	62	100.0%
Bus_client	62	100.0%	0	.0%	62	100.0%
Bus_days	62	100.0%	0	.0%	62	100.0%
Bus_hours	61	98.4%	1	1.6%	62	100.0%
Bus_sector	62	100.0%	0	.0%	62	100.0%
Bus_type	62	100.0%	0	.0%	62	100.0%
Bus_years	61	98.4%	1	1.6%	62	100.0%
capacity_contributor	17	27.4%	45	72.6%	62	100.0%
capacity_organizer	2	3.2%	60	96.8%	62	100.0%
capacity_others	1	1.6%	61	98.4%	62	100.0%
capacity_sponsor	7	11.3%	55	88.7%	62	100.0%
capacity_volunteer	39	62.9%	23	37.1%	62	100.0%
ethnic_asian	4	6.5%	58	93.5%	62	100.0%
ethnic_cauc	36	58.1%	26	41.9%	62	100.0%
ethnic_hisp	59	95.2%	3	4.8%	62	100.0%
ethnic_mixed	15	24.2%	47	75.8%	62	100.0%
event_participation	62	100.0%	0	.0%	62	100.0%
expand	62	100.0%	0	.0%	62	100.0%
financing_needs	60	96.8%	2	3.2%	62	100.0%
kind_loan	12	19.4%	50	80.6%	62	100.0%
kind_longterm	5	8.1%	57	91.9%	62	100.0%
kind_lowinterest	50	80.6%	12	19.4%	62	100.0%
kind_other1	1	1.6%	61	98.4%	62	100.0%
kind_shortterm	13	21.0%	49	79.0%	62	100.0%
leadership_position	59	95.2%	3	4.8%	62	100.0%
loc_advertising	45	72.6%	17	27.4%	62	100.0%
Location	62	100.0%	0	.0%	62	100.0%
member_anyorg	62	100.0%	0	.0%	62	100.0%
member_chamber	61	98.4%	1	1.6%	62	100.0%
monthly_payroll	38	61.3%	24	38.7%	62	100.0%
monthly_utility	57	91.9%	5	8.1%	62	100.0%

need_more_programs	58	93.5%	4	6.5%	62	100.0%
no.employees	61	98.4%	1	1.6%	62	100.0%
No.location	61	98.4%	1	1.6%	62	100.0%
number_events	39	62.9%	23	37.1%	62	100.0%
opinion_neighborhood	62	100.0%	0	.0%	62	100.0%
opinion_yakima	62	100.0%	0	.0%	62	100.0%
payroll	36	58.1%	26	41.9%	62	100.0%
prog_access	61	98.4%	1	1.6%	62	100.0%
prog_benefits	52	83.9%	10	16.1%	62	100.0%
program_awareness	60	96.8%	2	3.2%	62	100.0%
rent_utility	57	91.9%	5	8.1%	62	100.0%
sales_tax	42	67.7%	20	32.3%	62	100.0%
service_government	62	100.0%	0	.0%	62	100.0%
services_grants	15	24.2%	47	75.8%	62	100.0%
services_loans	33	53.2%	29	46.8%	62	100.0%
services_others	14	22.6%	48	77.4%	62	100.0%
services_training	36	58.1%	26	41.9%	62	100.0%
supplies	47	75.8%	15	24.2%	62	100.0%
surveyID	62	100.0%	0	.0%	62	100.0%
use_chamberservice	47	75.8%	15	24.2%	62	100.0%

a Limited to first 100 cases.

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